

MR. BENKS

Heavy mtg. PM will need
of content
further not before
March 11

MR. INGHAM

I attach a letter to the Prime Minister from Sir David English asking her to give an interview about Europe. It is of course for you to advise the Prime Minister. Her inclination is to agree and to use the interview to try and inject a bit more balance into the Mail's approach to Europe. If you agree that the interview should go ahead, I propose to commission some briefing material from Cabinet Office on some of the more technical points. But may I leave it to you please to reply to David English's letter and fix a time (assuming that is what you advise).

e.d.p.

CHARLES POWELL

16 January 1989

L036FM



file KB
LO3BFL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

MR. ROGER LAVELLE,
CABINET OFFICE

The Prime Minister has been asked by Sir David English to give an interview to the Daily Mail on Europe. In essence, he would want to put to her the same questions as were put in the Mail's interview with Lord Cockfield at the end of December. The Prime Minister is inclined to agree to this. But she would like some very detailed briefing prepared to deal with what she regards as more facile pro-European arguments. The briefing should therefore focus on some of the admitted costs and disadvantages to us from aspects of our membership of the European Community: the trade balance in manufactured goods, the distortions of the CAP. The implications of moving to a uniform VAT rate and other points besides. This is not to imply that she wants to give an interview which would suggest we are hostile to the European Community, simply that she wants factual material to balance some of the Mail's blithe Euro enthusiasm. The best form would be to do it rather like supplementaries for PQs.

Could I ask you very kindly to co-ordinate material from FCO, Treasury, MAFF and DTI of a comprehensive sort and try to let me have it by 2 February. No doubt quite a lot of the material is easily enough available in various forms and it will simply be a question of collating it.

CHARLES POWELL

16 January 1989

THE DAILY MAIL, LONDON

*Telegrams, Daily Mail, London, E.C.4.
Telephone, 01-353 6000*

*Northcliffe House,
London, EC4Y 0JA*

From:- The Editor

12th January 1989

The Prime Minister,
The Rt. Hon. Mrs. Margaret Thatcher, M.P. P.C.,
10 Downing Street,
London SW1.

Dear Margaret,

I have asked Carol to bring you this letter because I am very anxious to talk to you about 1992 and Europe into the next century.

You may have noticed that, although we agree with much of your view about European bureaucracy and red tape, the Mail and the Prime Minister may seem to have a difference of opinion about Europe. I say 'may' because I very much suspect that we do not, although I have not had a chance to talk to you about it.

In essence, our view is conditioned by some of the polls we have taken amongst young people. We are excited about the Europe of the future but very much want to see it British led, both in influence, style and thinking. What our research has shown us is that young people see the future as a world of superpowers and want to be a citizen of a superpower in order to hold up their heads economically and politically against the rest of the world.

They like the idea of belonging to a continent which is as big and as rich and as influential as America.

cont....

THE DAILY MAIL, LONDON

Telegrams, Daily Mail, London, E.C.4.

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*Northcliffe House,
London, EC4Y 0JA*

From:- The Editor

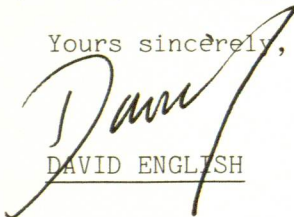
-2-

Of course, they don't want to surrender their British heritage and sovereignty but they want our influence, indeed your influence, to dominate the shape of Europe. And they are puzzled by on the one hand business enthusiasm and David Young's campaign and, on the other hand, the Government's seemingly lukewarm wish to get us really involved in powering the new Europe.

I spoke to Arthur Cockfield and ran an interview with him, which you may or may not have seen, but I have given Carol a copy. I would now very much like to talk to you with similar questions. It may well be that the answers will show that Europe next century is not going to be exactly what is claimed for it and that we must be on our guard. On the other hand, the thrust of my interview will be why can't Britain with its language, its financial power centre and its great tradition set the pace, be in the lead and call the agenda for the post-1992 period?

Can we talk either off the record or in a straight interview. I think there is much interest in the whole subject, particularly among the young.

Yours sincerely,


DAVID ENGLISH

Europe: Let's

'I have a stronger national feeling than most Englishmen and I want to see my country take a lead'

DM 29 DEC 88

BRITAIN is the least enthusiastic of Common Market members over the year 1992, when the Single European Act comes into force. The Prime Minister has warned about a loss of our national identity and the dangers of open frontiers.

She and her Government are strongly opposed to a European bank and the idea of a single unified European currency. She is said to be concerned that the bureaucracy in Brussels will impose on Britain all the state controls she has spent several years removing.

Yet the man behind 1992, the Commissioner for the Internal Market, is British. Appointed by Margaret Thatcher in 1984, Lord Cockfield drafted the original White Paper for the single European market which will harmonise laws and taxes and open frontiers in Europe, bringing it towards a single dynamic economic force.

Lord Cockfield, unlike several of his fellow Commissioners, has not been reappointed. Mrs Thatcher has allowed him only one term, perhaps as a signal of her disapproval.

Here, in a farewell interview with the Editor of the Daily Mail, David English, and Diplomatic Correspondent John Dickie, he speaks frankly of his passion for Europe — and his disappointment at Britain's refusal to seize the key role which he believes it should and could play.



Lord Cockfield: 'Vital part to play'

QUESTION. Why is it vital that Britain becomes a fully committed member of the post-1992 Europe?

ANSWER. The next century is going to be the century of the superpowers. The Soviet Union, the United States, China, Japan and Europe. Unless you are a superpower, your views are not taken into account and your interest disregarded.

Despite all the rhetoric, Britain will not get its way in the world unless it does it as a part of a United Europe. We're not big enough. We haven't got the economic strength or the defence muscle — not by ourselves.

Q. What do you say to the argument that Britain will lose its sovereignty as the new Europe develops?

A. Any international agreement involves some sacrifice of national sovereignty. Being a member of the United Nations represents giving up an element of one's own sovereignty. But we will give up less by being part of Europe because we are essentially pooling our sovereignty.

You are not surrendering it, you are getting a share in a much larger and more important sovereignty. The strength of 12 member states is much greater than the sum of 12 individual states.

Q. What happens then if Britain does not accept its place in Europe and stays aloof?

A. The momentum to 1992 is now unstoppable. Progress is irreversible. If Britain stays on the sidelines, however, and lets Europe develop largely outside British influence, it will be to our nation's detriment. Any country that is not a superpower would

simply become an outpost of one of the superpowers with little strength of its own and very little true independence of its own.

Q. Will Europe have its own currency?

A. We will move to one European currency. There's nothing exceptional or unusual about this. After all for many years we had a gold standard which meant in effect that currencies were tied to one another.

The view I have always expressed is that we ought to have a single currency as soon as possible after 1992. In practice, I think as soon as possible means about the turn of the century.

Q. What happens if Britain won't accept it?

A. The United Kingdom is not a full member of the EMS (European Monetary System). It has stood out of it all these years. And yes it might stay out of the single currency.

Q. What would be the effect of that?

A. We would impose on our own trade and industry costs which would not be incurred by other people in Europe. We would become less competitive and sell fewer goods. We would become poorer. At the same time, there is a serious risk that the financial centre of Europe might well move away from London.

Q. But national money is symbolic. Do you think the British will want to give up their money?

A. National reaction against change is understandable because you are changing long standing traditions. But it is possible that symbolic things can be accommodated with national symbols on coins and notes the way the Scots have their symbols on their notes.

Q. On this subject the Prime Minister is worried that we would be in danger of losing our national identity and become Identikit robotic Europeans. What do you say to that?

A. It is total nonsense. The Scots remain just as fiercely Scottish whether they remain in Scotland or come to live and work in England. The same is true of the Welsh. They do not lose their national identity. We no more intend in Europe than the French or the Germans or the British should lose their national identity than the Scots, the Welsh or indeed the English.

Don't forget we are European as well as English or Scottish. Our people came from Europe and our people have gone to Europe's rescue on many occasions. Yes, there are quarrels between Europeans but these are arguments between relatives not arguments between strangers.

Q. But why is it that so many British people don't recognise this?

A. Public relations about Europe has a very long way to go, and perhaps more in the UK than most other countries. It's also an age division.

The younger generation in Britain increasingly regards itself as part of Europe. Or to be more precise it doesn't recognise the existence of the question. They already act as though they are part of Europe. They go freely into Europe, more of them are getting some ability in one of the European languages, and more and more they are getting used to trading with and within Europe.

So I believe the change is coming in Britain, but it's slow and I would like to see more positive political leadership to push it along.

Q. There is an opposing view that we are more linked to

America because of the special relationship than we are with Europe?

A. What have we got out of the special relationship with America in hard practical terms? It's very difficult to identify anything that has given us any clear positive advantage. Since we joined the Common Market, our exports to Europe have gone up 30 per cent. That's a hard, solid gain.

All we get from America are arguments over trade and protection. Let me make it clear that I have no anti-American feelings. I have had contacts there for years. There are some anti-American strains within the Community and we have to stand up to them. We can do that as part of Europe.

Q. You must have heard the phrase used in British Government circles that, although you were appointed as a British Commissioner, you became so pro-European that you had gone native?

A. I don't know where the allegation comes from. I have never found anyone prepared to repeat it to my face. And I don't know what they mean by it. Because after all we are a member of the European Community.

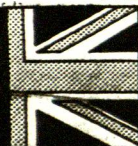
You might just as well describe a Scot who came to Westminster and became the Lord Chancellor as having gone native. You see the accusation and the phrase itself shows an attitude of mind which disappeared even before the 19th century.

Q. Nevertheless, it does seem that you went to Brussels as a British Commissioner and now there is a distinct difference of opinion between your view of the Common Market and the British Government's?

A. It's the Government which has changed, not me. When I was

IMPORTANT ISSUE BRITAIN HAS FACED FOR DECADES

1992



grasp the challenge

ILLUSTRATION: PHILIP ARGENT



DM 29 DEC 88

The step we must take if we are to have a proper say in Europe's future

asked to take this post we had just had the Fontainebleau Summit which had solved what were thought to be the outstanding problems. Everyone said: 'We have put these problems behind us. We as Europeans are going ahead.'

So it was in the spirit of relaunching Europe that I accepted this appointment. That at the time, was the outlook and the attitude of the British Government. In effect what I have done is to remain consistent but the Government has changed.

Q. Why?

A. The Government was trapped over VAT by the Labour Party in the last general election. And it reacted to Labour Party statements by refusing to accept change,

though at that time we in Europe had made no proposals.

But it goes much deeper than that. I believe the Falklands War has had a very big effect in feeding English nationalism. And in particular it fed the nationalism of the Prime Minister who, after all, was the general who won the war. She was not just a politician who sat at home; she was virtually the general who won the war and it's not surprising it should have moulded her outlook.

It was absolutely necessary to fight that war and to stand up against what was naked aggression. But the repercussions of that war have been much greater than most people realise. I'm not going to speculate on new Conservative governments, but I believe a new

government would probably have a new outlook.

Q. Nevertheless many people do feel that Britain would not have the right to manage its own economic affairs if, for example, our financial affairs were controlled by a European bank. It's not just the Government which feels this.

A. None of us has total independence in our own economic affairs and we haven't done so for many years. Britain can no longer manage its economic affairs in total disregard of what happens in the USA.

A European central bank and a common currency will create a better international environment in which we can operate. And operate more effectively to

our own advantage than we do at present when we are exposed to the buffeting of economic forces elsewhere.

If you could point to a perfect example, a perfect record of economic management in the United Kingdom, I might be prepared to modify my view. But it doesn't seem to me that we set an example for the world. There must be a better way of running an economy.

Q. Still on running our own affairs, the Government and many people in Britain are not in favour of abolishing frontiers. They say it will open up Britain to illegal immigration, drug trafficking and rabies.

A. Routine frontier controls make only very limited contributions to dealing with drug

trafficking, terrorism, international crime and illegal immigration. You can deal with all these things anywhere. You do not need to confine it to the frontier.

We know that drug trafficking takes place in Piccadilly Circus. But no one says that the police are not entitled to go there and make arrests. But if the police were to put up barriers across Regent Street, Piccadilly and the Haymarket, to stop and question every individual going to Piccadilly Circus, what sort of an outcry would there be?

We intend to strengthen the perimeter controls and we are working on a common European entry visa. These will be effective.

As for rabies, the long term answer is to stamp the disease out. But the best protection against rabies is quarantine. And there's no proposal to do away with that. Carriers, shipping companies and planes would be made responsible for seeing the animals went into quarantine.

If we insist on maintaining the full panoply of our border controls it imposes an additional cost of about 2 per cent on all British exports. Our costs are not sufficiently competitive as it is. Many concerns do not make 2 per cent profit. How will they stay in business? That is the risk we impose on ourselves.

Q. The biggest struggle between you, the Commission and the British Government is over the harmonisation of VAT rates. This could involve removing the zero rate in Britain. Surely this is politically almost impossible?

A. Of course there are great problems. I've always recognised this and I said in the original White Paper, not once but twice, that there might be a need for derogations (whereby one country be excluded from an agreed Community regulation). And I've said it three times since.

The Commission stands ready to enter into what I called a constructive dialogue. My difficulty is that the United Kingdom up to date has not been prepared to enter into any dialogue on this matter, constructive or otherwise.

It's odd if you think of it because British Chancellors, including the present one, have been steadily reducing the scope of zero rating. Mr Lawson taxed the staple item in the British working man's diet, fish and chips. He extended the charge to VAT on repairs and

improvements and on newspaper advertising. So they have been reducing zero rating themselves over the years.

But there's no doubt if Britain set about it they could get a deal over this matter.

Q. What about the taxes on wines and spirits and alcohol? These would all be reduced but the British Government is not happy about that.

A. Oh yes, the British Government is now showing a great solicitude for the health of its people. And it regards high taxation of alcohol and tobacco as a major instrument to keep the consumption of these items down. It seems to regard lower taxes on these things as evil.

Q. So let us be positive. What is really in the Common Market for Britain?

A. Enormous opportunities. The United Kingdom is strongest in the three key major industries of the next century. First the financial services area, banking, insurance and securities. Second, high tech information technology where we ought to make a real impact. Thirdly, communications, the media, advertising, promotion etc. And of course we have our great language. It is the language of trade and industry, and of science.

Q. What sort of chances would be lost by not seizing the initiative now?

A. Take a simple example — standards. We're moving gradually towards European standards but the bodies drawing them up in Brussels rely upon the input of the national standards-making bodies. Unless we are prepared wholeheartedly — and British industry is prepared wholeheartedly — to make a full input into that exercise, then the standards will be dominated by the Germans or the French, and not by the British.

So you see we can exercise an enormous influence on Europe. It's historically vital that we take up this role.

Q. Would you have liked to have stayed on for four years to see the Single European Act implemented?

A. The simple answer is Yes. I have a very strong national feeling, much stronger than most Englishmen. And I want to see my country leading Europe. That is the way my nationalism is reflected.



~~BI~~
BI

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

MR. LAVELLE
Cabinet Office

DAILY MAIL INTERVIEW ON EUROPE

Thank you for your minute of 3 February sending me some material for the Prime Minister's interview with the Daily Mail on Europe. The interview has now had to be postponed until mid-May.

X

The material was admirably comprehensive but not entirely what the Prime Minister wanted. The focus is on the positive aspects of the Community. But the Prime Minister knows them. And anyway, Sir David English is an enthusiast for the European Community and hardly needs to be told about the plus points. What the Prime Minister is after is some good examples of where the Community does not work well or does not work to Britain's advantage, with supporting evidence, in order to demonstrate that it is often necessary to resist ill thought-out proposals or fight hard for specific British interests. I think I set out some of the areas which she wanted to tackle in my original note about the interview. It is not a question of being anti-European: indeed the material should demonstrate how we very often display more Community spirit than do others. I recall that in David Williamson's day we used to have a collection of 'stilettos' which the Prime Minister could use. It's something on those lines that we need now.

Could I please ask you to have another go at this? .

I am copying this minute to Mr. Wall (Foreign and Commonwealth Office).

C. P.
CHARLES POWELL
8 March 1989

CONFIDENTIAL



10 DOWNING STREET
LONDON SW1A 2AA

16 February 1989

Dear Sir David,

Further to Beth Frier's letter I have now been able to discuss with the Prime Minister your request to interview her about Europe.

The Prime Minister has agreed to do this. The earliest date is Monday 20 March at 11.30 am. I hope that this date will be convenient for you.

As in the past could you please let me have details of the question areas a few days before the interview.

Yours sincerely

TERRY J PERKS
Deputy Press Secretary

Sir David English
Editor
The Daily Mail

~~Bev~~

OK

Provedes is ~~not~~
on EC. One can't
we meet on March

Daniel English wants an interview
with the PH in March. English is
12 April. Another possible date
is end of April but this is too
near to 10th Anniversary.

Content for interview to take
place on 12 April.

MAIL
20 MAR
11.30AM.

DP
2/2/89

MEDIA BIDS - ACTION TP

TESSA
Please see X below.
March is really out for
and an interview. Q's if
possible to find time during
the latter part of April?
1/2/89
3/1/89

1. The Daily Mail

Yes. Seek to find a suitable date in March.

2. Life

In principle well disposed if it can be arranged when the family are together. First week in May will be the most promising timing.

3. Central TV

Regrets. Better to offer to S/S Defence.

4. Sunday Telegraph

Willing in principle to give an interview at some stage.

5.- 17. As recommended.

Terri
Have pencilled in 0930 - 1030
Wed. 12 April for this. Will you
let me know if they can
manage this date & time?

TG.
1/2/89



10 DOWNING STREET
LONDON SW1A 2AA

18 January 1988

Dear Sir David

This is just a short note to acknowledge your letter to the Prime Minister requesting an interview about Europe.

I confirm that this will be considered at the next diary meeting, following which we shall be in a position to let you have a firm response.

Yours sincerely

BETH FRIER
PRESS OFFICE

Sir David English
Editor
The Daily Mail

20/4

~~TERRY~~

Amanda has a call from
Sir David English re new
timing for D/Mail interview.
He said that, as yet, they
have not been informed.
File attached.

BETH

~~Beth~~
I thought I had
told his Sec. Can you
please ring & give him
time & date - M 20/4



10 DOWNING STREET
LONDON SW1A 2AA

20 April 1989

Dear Sir David

This is just a short note to confirm that the Daily Mail interview with the Prime Minister on Europe has been re-scheduled and will now take place at 9.30 am on Monday, 17 May.

As previously requested, could you please arrange to forward details of the question areas a few days before the interview to Mr Terry Perks, Deputy Press Secretary.

Yours sincerely

A handwritten signature in cursive script that reads "Beth Frier".

BETH FRIER
PRESS OFFICE

Sir David English
Editor
The Daily Mail