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SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
and Commonwealth Affairs
Downing Street
LONDON
SW1

11 January, 1984

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Further to your memorandum of 6 October requesting departmental comments on policies for the European manifesto there are three areas of Community policy where there is a substantial Northern Ireland interest: regional affairs; agriculture; and the role of the European Parliament.

On regional policy I would hope we could strike a positive note while calling for continued improvements in the operation of the ERDF. These improvements should include: greater selectivity in designating those areas of highest, and structural, unemployment as priorities; and more awareness of the importance of tackling the problems of urban blight. In addition the point should be made that while the ERDF is essential in increasing the Community's economic cohesion and, in particular, in aiding peripheral areas, the Community should also show a greater awareness of the impact of the operation of some of its other policies - such as the CAP - on disadvantaged regions.

I don't imagine that I would diverge from Michael Jopling's comments on the reform of the CAP. However, a central point to emphasise, I believe, is the importance of restoring a more equitable balance in the rate of return between arable and livestock farming. A redressing of the balance away from arable farming in favour of livestock producers is long overdue. It is also important from the point of view of Northern Ireland farmers that access to cereal substitutes should remain as free as possible.

As a matter of general principle our proposals on CAP reform should be based on dealing with over production primarily through the price mechanism. However if we eventually have to accept a quota system for milk these should be implemented at farm level, without pooling, and exemptions for special cases should be firmly resisted (although

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you will be aware of my position should the Republic of Ireland gain an exemption)! Northern Ireland farmers also feel very strongly that the variable beef premium must be defended and sustained.

One of the more contentious actions of the European Parliament has, of course, been its decision to commission a Report on Northern Ireland. I think we must see how the Haagerup Report progresses before deciding on how to approach this question in the campaign. As long as the resolution itself continues to emphasise the social and economic role of the Community in Northern Ireland I anticipate few problems. While the Parliament can have no business interfering in the Constitutional or political affairs of a member state - and their attentions have not been welcome - in the event, the Haagerup Report may work to our advantage in clarifying the situation in Northern Ireland for many continental minds. While a stern note might be appropriately struck - in general terms - in the manifesto about the importance of the Parliament restricting itself to its legitimate areas of activity I would not wish to make a great issue out of their Northern Ireland intervention, nor to appear too churlish. The European Parliament does, after all, deserve credit for helping to promote the cause of Community aid for Belfast's urban problems and this deserves recognition.

On the wider question of campaign themes might I make some brief observations beyond my departmental remit? I feel there are three themes which we should be pressing hard, summed-up in the words: experience; achievement and commitment. As the Party that took Britain into the Community and which has provided three quarters of our representation in the directly elected Parliament, experience must be one of our greatest advantages over both Labour and the Alliance. Although much still remains to be resolved in the aftermath of Athens our record of achievement as a Party in Government and in the European Parliament can also be portrayed as formidable - especially when contrasted with the weak performance of the Wilson and Callaghan Administration. Commitment to the success of the Community, and to a vigorous defence of British interests within it is, perhaps, the most important theme. However, both strands have to be emphasised. I don't believe that there is any doubt in the public mind about the Government's determination to improve Britain's position within the Community or about the strength of our resolve. Thus, to over-emphasise this point without balancing it by references to our commitment to the success of the whole community ideals begins to cast our relationship with the Nine in a purely adversarial light. Thus we do need to re-emphasise the broader objectives and community of interest which underpin the Treaties, otherwise we put ourselves into a rather defensive posture viz a viz what increasingly would be perceived as an organisation inimical to our interests. In such a situation the public might well ask 'if the common market is only about fighting for each country's interest why bother to have it at all?' I am also quite certain that the Labour Party's fudge on the question of membership is as fragile as their position in the General Election over disarmament - and should be exposed as such.

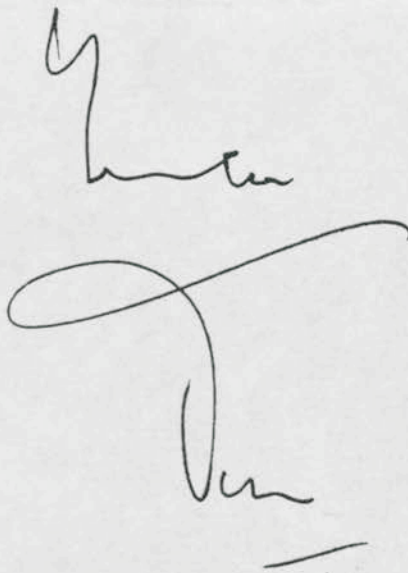
I hope that it will also prove possible for the Prime Minister to make some sort of joint statement or appearance with leading members of our associated parties in Europe - such as Paul Schluter and Helmut Kohl. The Socialists and Liberals will otherwise make great play of isolation - real or imagined - as a political grouping in Europe, compared with the changes of collaboration open to them

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within the Parliament. Given the current predominance in Northern Europe of governments of the centre-right this is a ploy with which they should not be allowed to get away.

I am copying this letter to the Prime Minister, other members of the Cabinet, John Selwyn Gummer, Peter Cropper and Sir Robert Armstrong.

A handwritten signature in dark ink, consisting of a large, stylized initial 'G' followed by a series of connected loops and a horizontal stroke at the end.