

2

PRIME MINISTER

You mentioned this morning that you had seen press reports about remarks allegedly made by the Secretary of State for Northern Ireland concerning the European Budget.

Attached is the Press Release for what seems to be the relevant occasion. What was actually said at the meeting however we cannot of course be sure.

9 April 1984

D. *MW*



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RT. HON. JAMES PRIOR, M.P.

Release Time: 14.45 Hours / FRIDAY 247/84
6th April, 1984

Extract from a speech by the Rt. Hon. James PRIOR, M.P., (Waveney), Secretary of State for Northern Ireland, in Salisbury on Friday, 6th April, 1984.

The argument about the European Budget is not just - or even primarily - about Britain's excessive net contribution. It goes much wider than that. The Community must be able to show that the projects which it funds are yielding good value for money and are subject to scrutiny equal to that to which national public expenditure is subjected; and it must ensure that no country has to bear an inequitable share of financing the Community's activities. It is not just that the United Kingdom has raised the issue and is demanding action, reforms must be implemented in the name of equity and common sense. I hope that after the long years of negotiations a breakthrough is not far from grasp.

It is however, undeniable that the disputes over the Budget and the painfully slow rate at which improvements have been made to the Common Agricultural Policy have dissipated much political energy. As we all recognise the Community is about a lot more than a Budget which absorbs only about 1% of the Gross Domestic Product of the Community's Member States. Now more than ever the Community needs to regain its vision. Western Europe is faced with huge and intractable problems - particularly in maintaining employment and in enhancing our competitiveness vis-a-vis the United States, Japan and the newly industrialised countries. Only through working together can we combat many of these problems.

/The Community

The Community is central to our ability to influence events in the world around us and to our prosperity. Thus although we may need from time to time to take a fairly robust line with our partners, we must continually stress our wholehearted commitment to the success of the European enterprise. The price of a failure on the part of the Ten to take full advantage of the Community framework would be high now, and incalculable for future generations.

Conservatives are ambitious and realistic Europeans. The Community is a unique framework of great value now but also of enormous potential for the future. On occasion it may generate conflict between its members but this is only to be expected when countries come together to solve their problems through co-operation and joint endeavour. But the important thing to remember is that the Community is a problem-solving not a problem-creating body. It is the greatest achievement of the post-war statesmen who with faith, and believing in the effectiveness of international co-operation, established the major international institutions. The Community's achievements are already considerable and with sufficient political will and leadership the European idea can be carried forward and made a reality. This remains the objective of the Government and of the Conservative Party.

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