



10 DOWNING STREET

PRIME MINISTER

A handwritten blue scribble or signature mark located to the right of the address.

Basil de Ferranti asked me  
to show you the attached.

Handwritten blue initials 'CR' with a small dot below the 'R'.

20 August, 1984

MT

EUROPE: "WE AND THEM"

The European Parliament's decision over Britain's rebate has been soundly denounced by the Prime Minister, Malcolm Rifkind - Minister of State at The Foreign and Commonwealth Office, and Geoffrey Rippon MP.

Is there a danger that Community countries on the other side of the Channel will always be "THEM" to US?

Apart from the English (?) Channel, there is a division between us and them. We believe that agricultural spending should be properly controlled. They believe that we, the British, are trying to ruin the continental farmer. It all comes down to the oldest problem in human affairs - lack of communication. We do not want to ruin the continental farmers because obviously we do not want to ruin our own farmers. What we do want to do is to reduce agricultural surpluses and keep up a steady pressure to bring down the price of food in the shops. Thanks to the continuous improvement in the efficiency of farmers here and indeed throughout the Community, it is perfectly possible to do this without ruining the farming industry.

We do not want, quite rightly, to agree to help pay for this year's excess expenditure by the Commission over its income until there is in place an effective system to control agricultural expenditure. They interpret this as our determination to ruin their farmers.

It is of such immense benefit to the consumer to have a free market in foodstuffs and to ensure that farmers continue to be able to invest in the new methods and machinery that enable them to increase their efficiency, that it would be crazy for us to want to bring about the sort of things which some of the continentals fear that we wish to do.

There is a lot, therefore, to communicate about and the problem is how to do it. For largely historical reasons, the British Conservative MEPs form a political group in the Parliament together with four Danish Members but with no other Members of the equivalent Parties to ourselves present from the other eight countries. Of course, communication in the Parliament is only one part of the problem, but it is an important part and it has been particularly unfortunate that the communication between us and them is inevitably bad because of these political groupings. The stage has been reached now where they are so suspicious of the British Conservatives that they might not even allow us to join in their discussions, even if we wanted to. "They" in this case, are the Christian Democrat Parties from all the other countries who form a group in the Parliament called the European Peoples' Party. We are suspicious of them and they are suspicious of us and we are all, therefore, failing our constituents by not having better arrangements to solve problems together. The Labour Members from Britain do sit with their Socialist opposite numbers in a single political group. The Labour Members though, really are anti-farmers. They are pro keeping uneconomic pits open but totally opposed to uneconomic farms. They have no hope,

therefore, of communicating because their ideas are so palpably absurd.

If by some miracle, the British public were to give itself a good shake and start to really concern itself with the future of Britain in the context of the European Community, the most important conclusion they could reach is that the British Conservatives really must spend more time with the European Peoples' Party and the European Peoples' Party really must understand that our interests are common. The Centre Right Parties had a marvellous demonstration of acting together when we all voted for M. Pflimlin to be the President of the Parliament. We must now move on to the even more important task of having a common view on the future of the agricultural industry, for that would be the key to making further progress in Europe towards the great single market that companies throughout Europe require if they are to compete with the Japanese and Americans in the marketplace.

Competitive companies means jobs on the one hand and a better deal for housewives on the other. 80 pence in every £10 we spend could be saved by making the Common Market a reality. But above all, demonstrating to ourselves that we can do those things together, instead of endless petty nationalistic squabbling, will give Europe the confidence to keep the world stable and progressing.

Basil de Ferranti MEP  
1 August 1984