

From: The Rt. Hon. Sir Geoffrey Howe, QC MP



HOUSE OF COMMONS
LONDON SW1A 0AA

1st November, 1990

Dear Margaret,

I am writing to explain some of the reasons for my decision to resign from the Government.

I do so with very great regret. Almost sixteen years have passed since you asked me to serve as Shadow Chancellor. Since then we have done so much together, against the odds, to rebuild the economic and political strength of our nation. Your own strong leadership has been of crucial importance in making this possible. It has been a privilege and an honour for me to have contributed to that success.

Our work has been based on common values and shared beliefs - for economic and personal freedom, for a responsible society and for greater British influence in the world. Although our principles have been sorely tested by opponents of the Government at different times over the last eleven years, I have always tried as best as I can to uphold and advance those principles in a way that united our Party and served the best interests of Britain.

The Rt Hon Margaret Thatcher MP

It gives me all the more sadness, therefore, to acknowledge the growing difference which has emerged between us on the increasingly important issue of Britain's rôle in Europe.

As much as you, I have wanted to make the most of Britain's influence in the world, to deploy Britain's sovereignty to the best advantage of our people. Ever since our original application to join the European Community in 1962, that has clearly involved Britain's firm, practical commitment to the historic process of closer European partnership.

I was proud to have steered Britain's membership through the House of Commons in 1971, and prouder still to play my part promoting Britain's national interest in Europe, first as your Chancellor of the Exchequer, and then as your Foreign Secretary, for ten hard and rewarding years.

My vision of Europe has always been practical and hard-headed. I am not a Euro-idealist or federalist. My concern is less with grand schemes than with immediate realities, as they affect our well being and prospects as a nation. Like you, I have fought too many European battles in a minority of one, to harbour any illusions on that score.

Our conduct of policy on the crucial monetary issue in Europe - first on ERM and now on EMU - has given me increasing grounds for concern. We did not find it easy, in the run-up to last year's Madrid Summit, to establish the conditions for the UK's entry into the ERM. I felt at that time that my continued membership of your Cabinet could help maintain a united approach on this issue.

Now that we are finally inside the ERM, we have a great opportunity at last to shape Europe's monetary arrangements in the years ahead. We can only do that by being and staying firmly on the inside track.

We must be at the centre of the European partnership, playing the sort of leading and constructive rôle which commands respect. We need to be able to persuade friends as well as challenge opponents, and to win arguments before positions become entrenched.

The risks of being left behind on EMU are severe. All too much of our energy during the last decade has been devoted to correcting the consequences of our late start in Europe.

It would be a tragedy, not just for our financial institutions and our industrial strength, but also for the aspirations of a younger generation, if we were to risk making the same mistake again, by trying to draw an arbitrary line under our engagement in the European process.

I am deeply anxious that the mood you have struck - most notably in Rome last weekend and in the House of Commons this Tuesday - will make it more difficult for Britain to hold and retain a position of influence in this vital debate.

Of course, there are still huge questions to be considered and resolved in this discussion. None of us wants the imposition of a single currency, but more than one form of EMU is possible. The important thing is not to rule in or out any one particular solution absolutely. We should be in the business, not of isolating ourselves unduly, but of offering positive alternatives that can enable us to be seriously engaged.

Cabinet government is all about trying to persuade one another from within. So too, within the unique partnership of nations that is making the European Community. Plain speaking certainly - but matched always by mutual respect and restraint in pursuit of a common cause.

The need to find and maintain common ground on the European issue within our own party will be crucial to our electoral success and the future of the nation. In all honesty I now find myself unable to share your view of the right approach to this question. On that basis, I do not believe that I can any longer serve with honour as a member of your Government.

I am, of course, very sad that our long years of service together should have to end in this way. The close of this Session of Parliament seems an appropriate moment for me to leave. It has been a great privilege to serve under your leadership at a time when we have been able to change Britain's future so much for the better. I shall, of course, maintain my support for your Government in following policies to that end.

Yours ever

Geoffrey

GEOFFREY HOWE



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

1 November 1990

Dear Geoffrey

Thank you for your letter telling me of your decision to leave the Government and the reasons for it. As I told you when you came to see me earlier this evening, I very much regret your decision, coming unexpectedly after we have worked together for so long. I shall for ever be grateful for your distinguished service and your sturdy and unflinching support in difficult times.

Your contribution to the philosophy of modern Conservatism and to the policies which we brought to Government in 1979 was great indeed. It helped to ensure that we came to office with a clear and radical programme for changing Britain and reversing the decline of the Labour years. As Chancellor of the Exchequer, you took the main burden of implementing our economic policies: and you did so with courage and fortitude in the face of many attempts to push us off course. The foundations of Britain's economic success in the 1980s were laid in those earlier years, and in particular by the budget of 1981.

As Foreign Secretary from 1983, you built on that economic success to restore Britain's standing in the world. Together we succeeded in obtaining a fair settlement for Britain's budget contribution to the European Community. Your patient negotiation with the Chinese Government secured Hong Kong's future: and you subsequently applied the same skill to the negotiations with Spain over Gibraltar. You played an important part in building up our relations with the Soviet

Union and with the countries of Eastern Europe, as they emerged from the shadow of communism. In all these activities, you won the highest respect and admiration of your Foreign Minister colleagues.

Your time as Lord President enabled us to put on the statute book many of the domestic reforms which you did so much to formulate and inspire.

Your letter refers to differences between us on Europe. I do not believe these are nearly as great as you suggest. We are at one in wishing to preserve the fundamental sovereignty of Parliament. We want Britain to play a leading part in Europe and to be part of the further political, economic and monetary development of the European Community. As I made clear in my statement to the House, our aim is to find solutions which will enable the Community to go forward as Twelve. I believe the party is united behind these aims and demonstrated that very clearly in the House on Tuesday: we have always been the party of Europe, and will continue to be so.

Finally, may I say how saddened I am personally at your decision to move to the back benches. Your steadiness has been a source of great strength to the Government for more than eleven years. I am most grateful for your assurance of continued support.

May I also add a particular word of gratitude for the contribution which Elspeth has made. Denis joins me in sending our best wishes to you both.

Yours ever
Geoffrey Howe

The Right Honourable Sir Geoffrey Howe, QC, MP



10 DOWNING STREET

Press Notice

MINISTERIAL RESIGNATION

The Right Honourable Sir Geoffrey Howe, QC MP has tendered his resignation as Lord President of the Council and Leader of the House of Commons.

1 November 1990

Notes for Editors

An exchange of letters will be published later.

An announcement on the consequential Ministerial appointments will be made in due course.

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