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10 DOWNING STREET

*From the Private Secretary*

18 March 1983

PRIME MINISTER'S MEETING WITH M. THORN

Thank you for your letter of 17 March about the question of an agricultural development programme for the Highlands and Islands. This is simply to confirm that there was no time for the Prime Minister to raise this particular issue with the President of the European Council when she saw him on 17 March. But she did make the general point that Commissioner Tugendhat did not seem to be taking a helpful attitude on certain questions in which we had a particular interest (M. Thorn contested this, saying that Tugendhat was indeed fighting for us on the Budget).

I am sending copies of this letter to Muir Russell (Scottish Office), John Kerr (HM Treasury) and Robert Lowson (Ministry of Agriculture, Fisheries and Food).

A. J. COLES

R. B. Bone, Esq.,  
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Foreign and Commonwealth Office

London SW1A 2AH

17 March 1983

*New Thorn*

Prime Minister's Meeting with M Thorn

I understand that the suggestion by Mrs Ewing MEP for an agricultural development programme for the Highlands and Islands was discussed in Cabinet this morning: and that the Prime Minister has suggested she might raise the issue with M Thorn this evening. The Scottish Office will be writing to you with the background and suggesting the line the Prime Minister might take on the substance of the issue. We agree that the Prime Minister could usefully assure M Thorn that HMG would of course welcome practical and cost-effective proposals which would be of benefit to a disadvantaged area of the UK without, of course, endorsing the particular ideas in the European Parliament's report.

/ As regards Mr Tugendhat's role, I attach extracts from the European Parliament's 'Hansard' showing that he made clear the Commission's support for such a programme and went on to say that as far as he knew, HMG would not be keen. It was indeed unfortunate that Tugendhat chose to speculate about HMG's views in this ill-informed way. While the Commission were no doubt aware of our doubts about the realism of the ideas in the report they should certainly not have spoken in this way to the European Parliament. The one slightly mitigating factor is that Tugendhat was standing in for his agricultural colleague Mr Dalsager and speaking to the latter's brief, so the responsibility was not Tugendhat's alone.

I am copying this letter to the Private Secretaries to the Secretary of State for Scotland, the Chancellor of the Exchequer, and the Minister for Agriculture, Fisheries and Food.

*Yours  
R B Bone*

(R B Bone)  
Private Secretary

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vision is not and need not be an insoluble problem. I believe the two can live together very happily. Farming and the needs of conservation are not mutually exclusive. They can live together if they must live together. The problem at the present time is that under the EAGGF there is no special allocation to take care of the environmental provisions that should perhaps be available. I would therefore advocate that a special report be drawn up by Parliament to look into these problems, and I think a debate is needed on it.

This afternoon, Mr President, I urge Parliament to adopt this report that will, I hope, put new heart into the Highland area and give the Community a human face in those difficult, albeit beautiful, areas.

### VORSITZ: BOON KLEPSCH

Vizepräsident

Mr Tugendhat, Vice-President of the Commission. - Mr President, as Mr Provan knows, I am speaking in place of Mr Dalsager but I would like to say to him that I and my cabinet have studied the report's observations and suggestions with a keen interest because, clearly, it is of importance to the region from which he comes.

The report is also particularly relevant, coming at a time when the Commission is working on adjustments to the policy on the structure of agriculture which it hopes to lay before Parliament and Council by the end of the year. I note that the report deals not only with the Scottish Highlands and Islands, but also with the Community's other problem regions. Things are undoubtedly extremely tough for them, not just for the Highlands and Islands but for the others as well. I feel that the report will be of assistance to us in working out ways and means of tackling their problems. We have some experience in this connection, thanks to the hard work put in around 1974 when the Commission submitted the proposal for the directive on hill farming and agriculture in certain less favoured areas and to the specific programmes since then for the worst-off regions in Ireland, Italy and Greece.

Given that the report's approach and the Commission's are the same in this respect, probably the best course is not to aim at special arrangements for the Highlands and Islands but to tackle the problems of the poorer farming regions on a comprehensive basis in the context of the intended recasting of the policy on agricultural structures.

There is, however, one other consideration that must not be overlooked. This concerns the degree of interest in the United Kingdom for a programme of the type suggested by Mr Provan. We have not found that there has been a great interest in such a programme in the United Kingdom, and I think it is important to bear that in mind. On the basis of the information available to the Commission, such a programme would not be considered as warranting priority, and a proposal launched under these conditions would probably lead to much wasted time rather than to policy improvements.

I hope, Mr President, that I have made clear the Commission's views on this matter. I think the evidence of a lack of interest is something which needs to be borne in mind, but no doubt Mr Provan, representing as he does a constituency in the United Kingdom, will be able to take up those matters with the appropriate authorities.

Ms Quin (S). - Mr President, I have been asked to say just a few words on behalf of the Socialist Group in support of the report by Mr Provan.

We welcome it as showing a very useful way in which the European agricultural structural funds can be employed. All too often in the past these funds seem to have been used indiscriminately without paying attention to the needs of particular regions. We feel that there is a very great need to identify areas such as this with real agricultural problems, define the nature of those problems and then seek to provide effective help for them. It is important to inject such money as we have where it is needed.

I am glad that the report, although it refers to an agricultural development programme, also lays great stress on the links with other aspects of the economy, whether it is tourism, forestry or fishing. I hope that the British Government, for its part, will back up the scheme with some enthusiasm and that the money made available will be of clear and extra benefit to the area concerned.

I am glad, too, that the environment aspects have not been overlooked and I welcome the opinion given by the Committee on the Environment, Public Health and Consumer Protection. We are talking about areas of great natural beauty, and they do need to be kept in such a way that they are attractive both for the inhabitants and for those who will go there as tourists. In the report there is some talk of forestry schemes, but fortunately there seems to be an emphasis on smaller schemes and schemes that will fit in with the existing landscape, rather than the huge mono-

MRS EWING

and we have too little; they have too little and we have too much - but added to our inclement weather is this depopulation. Within 50 years, the population of northern Scotland has halved. That is a human tragedy. The population of northern Norway, with various things like road equivalent tariff and equalised freight charges and a university in the Arctic Circle, has doubled. So if you get the policies right you can keep the people, or even increase their desire to go to these beautiful and so-called romantic places.

I have just come from the Shetlands - one of the furthest away places. They were here lobbying all the groups in February, you may remember, along with a big delegation. The wind was blowing at 176 miles an hour, which is almost hurricane force. In the midst of all this, animals have to be kept inside, and the cost of feed, the cost of transport, everything is at a disadvantage. They are not complaining about that; it is we, the politicians, who are complaining: we say, unless you are prepared to sit and wait for the death of my area you will have to pass this excellent programme, for which there are precedents. There is a precedent in Western Ireland and there is a precedent now in the Mediterranean. Anyway, I suggest it is a good experiment, perhaps for Greece and similar places.

Secondly, I would like to say this to Mr Muntingh, whose amendment I agree with, except that I think the word 'equally' must be scored from the first part and I cannot agree with recital B. I agree, that is to say, with Mr Muntingh, and all the bodies who have supported this programme - the government quango of the Highlands and Islands Development Board and all the elected councils of the Orkneys, the Shetlands, the Highland and Strathclyde regions - they have all agreed to accept Mr Muntingh's point of view.

In all Europe, there is no place with a record like ours for wildlife; that is why we have so much of it. We do not shoot our birds; we keep them and watch them to make sure they are always going to be there for tomorrow - the fish in the river and so on. We do, however, suffer from coastal erosion.

Lastly, I must say this. (My group will give me extra speaking-time if I need it.) Mr Tugendhat's words absolutely shocked me. He said an extraordinary thing today - the opposite of what Mr Dalsager said to my delegation here in February. Mr Dalsager said to my delegation: 'We have done the homework. We can put forward proposals within a few weeks. We are in favour of it.' So someone in the Commission has either changed

his mind or is not talking to his fellow Commissioner - and it just will not do.

The Conservatives voted against a line in the budget, and so did other groups. That was a pity, because we need this programme now and the failure to vote for that budgetary line for my second attempt was foiled.

I cannot understand the position of the British Government. Is it just that the Commission is deferring now to the British Government? Is it acting as though it were a British Commission? I have a briefing here from the British Government which says: 'In the absence of a proposal from the Commission, the government cannot comment on what the UK's position on an ADP will be.' So who is blaming who? The British Government blames the Commission and the Commission blames the British Government. I think at some point this question has to be answered.

Could my colleagues from other countries please come and see this land - and not necessarily in the summer weather, as Mr Clinton. If they do, they will see a proud people who deserve the right to continue living where they want to live, in the Highlands and Islands of Scotland.

Mr Tugendhat, Vice-President of the Commission. - Mrs Ewing, could you perhaps listen to what I have to say? You did not hear what I said. It really would be advisable for you to listen as you quite clearly failed to do so the first time. I made it absolutely clear that the Commission is in favour of this. I am operating off Mr Dalsager's brief. You really must not make accusations of that sort. I drew attention to the fact that there are difficulties in the United Kingdom but let me restate so that you cannot possibly misunderstand me, the Commission is in favour - very simple English words.

Mr Paisley (NI) - Mr President, I congratulate Mrs Ewing on her motion for a resolution and Mr Provan on his report.

It is all very well to have excellent reports, and this is an excellent report. However, if it is not going to be implemented, and implemented with the help of Her Majesty's Government, then all our deliberations and all our investigations will be in vain. I stand here today with some bitterness, because a Member of this House, Mrs Martin, prepared an excellent report on Northern Ireland, which was accepted by the Commission and adopted unanimously in this House. Yet for two years nothing has been done about it. I trust that this excellent report will have instant action taken