

Minutes of a Meeting of the European Affairs Backbench Committee

on 10th February, 1981

Chairman: George Gardiner MP

13 FEB 1981

Speaker : The Foreign Secretary

Chairman:

Next week Sir J. Scott-Hopkins cannot attend. John Taylor MEP will attend instead.

Foreign Secretary:

Useful to look at next year, but last year achieved two things: partners accepted need to restructure CAP and budget. But this in itself will make for difficult negotiations. We would be very lucky to achieve re-structuring by end of year. Serious negotiations only likely to start next autumn. We shall have to think in first half of year about settling of agricultural prices and fisheries. We cannot go further on fisheries, so difficult to achieve agreement at this moment. Problems related to French General election. Need to avoid decisions this year (eg a price structure) which pre-empt budget and CAP reform. Last year on budget it was 1 against 8, we were only net contributors. Now Germans and French are net contributors. Public criticism of community partly due to misapprehensions but still some genuine disillusionment. Partly owing to 'fighting' speeches during last year's budget negotiations, Britain suggested intransigence on behalf of partners. Need to avoid confrontation. Good to concentrate on political co-operation eg considering the establishment of a small political secretariat. But we must beware of appearing to compete with US. European/US foreign policy should be complementary.

Questions

Sir Anthony Myers: Danger that individual complaints will 'add up' to present a bad picture of the Community. Therefore need for emphasis on essential requirement of remaining in the Community eg in terms of enhancing Britain's overseas influence.

Foreign Secretary: Our trade is now so inextricably tied up with the Community that no question of leaving.

Cyril Townsend : Effects of Reagan administration on European policy

Foreign Secretary: Europe is not (yet) an entity eg diverse interests vis-a-vis East-West relations. So though there may be bi-lateral problems between US and European countries, not likely over 'Europe' as a whole.

Tim Rathbone : In this country the fact of Europe speaking with one voice is not sufficiently appreciated.

Nick Budgen : What opportunities will there be for us (MP's?) to assess the efficacy of CAP reform.

Foreign Secretary: Need to reform 'surpluses' and lower proportion of budget spent on CAP. Principles in Treaty of Rome unexceptionable, it's the distortions that arise. There will never be a reform of CAP with a result entirely in our favour ie need for compensating mechanism in Budget.

Ray Whitney Will problems with Reagan administration occur during Presidency?

Foreign Secretary: Haig is a cautious and stable operator. May be problems over defence.

Ivan Lawrence : Why are we now trading with Soviet Union?

Jonathan Aitken : We need to answer the Labour Party's next election's main weapon ie withdrawal. Our political arguments on Europe are good our economic arguments are shaky.

Foreign Secretary: Disagreed with Trade analysis.

Julian Amery : From F.C.O. point of view what are pros and cons of EMS?

Foreign Secretary: F.C.O 'pro' as a gesture of serious membership. Treasury has economic reservations. There has been a slight move towards the EMS.

Richard Shepherd : We have a deficit on trade excluding oil. Trade in this and other commodities might well carry on even if we left the Community as it would be in our partners interests.

Foreign Secretary: Nevertheless we would be likely to face tariff barriers. No logic in excluding oil from our trading performance.

Conservative Research Department,
32 Smith Square,
London, SW1.

E. G. McDermott