



Prime Minister

To note

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Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

COMMUNITY BUDGET REFUNDS

In paragraphs 19 and 20 of my minute of 9 December I suggested a procedure, to which you agreed, for handling at the Finance Council, on 14 December, the question of "advances".

2. In the event, neither France nor Germany was represented by a Minister at the Finance Council lunch. We ascertained from bilateral enquiries in advance that French and German officials would have been obliged by their instructions to vote against the proposal to pay advances to the United Kingdom, thus preventing the achievement of the necessary qualified majority. Having previously prepared the ground with Vandeputte, the Belgian Minister of Finance and representative of the incoming Presidency, I suggested at lunch that the matter be carried forward for resolution in 1982. Vandeputte said that the Belgians had no objection to this procedure and no-one else spoke.

3. We had of course previously received an assurance from Thorn (UKREP telegram No.4824) that, if the advances proposed were not agreed in 1981, the Commission would propose the carry-over of the sum of 150 million ecus into 1982. UKREP will now take steps to ensure that the Commission live up to this assurance.

4. I am copying this minute to the Foreign Secretary and Sir Robert Armstrong.

G.H.

16 December 1981



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