

HL 3



CC FCO
HUNT

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Bilateral talks with the Elysee

The Prime Minister held a meeting this morning to consider the note attached to Mr. Hancock's minute of 25 March. The Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, you and Mr. Hancock were present.

With regard to paragraph 7 of the note, it was agreed that at your next meeting with Monsieur Attali you should make it plain that Ministers considered that an eventual solution to the problem of the UK's contribution to the Community budget should be based on a percentage sharing of our unadjusted net contribution with the Community paying 90%. It was further agreed that you could float on a personal basis the thought that it might be possible to persuade Ministers to go down to 85% in the context of a solution which was otherwise satisfactory but you would not give the impression that this is a possibility that has already been considered by Ministers.

The third and fourth questions in paragraph 16 of Mr. Hancock's minute were not discussed.

I am sending copies of this minute to the Private Secretaries to the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer.

A. J. COLES

26 March 1982