



FCS/79/191

MEMBERS OF OD(E)

EEC Budget: UK Contribution: Future Tactics

1. I have discussed with the Prime Minister how best we might handle the negotiations with our Community partners on the problem of the UK budget contribution between now and the next European Council.
2. As the Prime Minister told Parliament, we shall be entering upon a period of intense diplomatic activity. We shall have to devote considerable energies to lobbying in the various European capitals at both official and Ministerial levels. If we are to achieve a satisfactory result our case will have to be presented in a coordinated manner.
3. At home we shall need to embark upon intensive and rigorous studies, which will involve a number of Departments, covering not only an immediate increase in UK receipts but also a shift in the longer-term pattern of Community expenditure. Our policies on the specific issues of fish, sheepmeat and energy, mentioned in the Dublin European Council Conclusions, and also our handling of the agricultural price fixing negotiations will have to be dealt with in parallel to our budget objectives.
4. Responsibility for the overall coordination of this work will continue to lie with OD(E) reporting to the Prime Minister and to OD Committee and Cabinet as necessary. As Chairman of OD(E) I shall wish to be closely involved, and I shall ensure that the Committee itself remains abreast of all the important issues. But there will also be a need for close day to day Ministerial liaison on the detailed work and for Ministerial coordination of and involvement in the negotiations with our partners. These may unavoidably touch on the policy questions mentioned in the preceding paragraph and we shall need a Ministerial spokesman who can respond on the basis of a general view of them. The Prime Minister has agreed with my proposal that the Lord Privy Seal should assume responsibility for this and take personal

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charge of our negotiating strategy, reporting to me and to OD(E) as necessary. He will coordinate a programme of bilateral exchanges in pursuit of our objectives and will undertake necessary visits to Community capitals and to the Commission. He will also report progress regularly to the Ministers concerned to ensure that immediate attention is paid to all the problems which arise.

5. I am sending copies of this minute to, in addition to the members of OD(E), the Secretaries of State for Energy and Industry, the Secretaries of State for Wales, Scotland and Northern Ireland, the Chancellor of the Duchy of Lancaster and to Sir Robert Armstrong.

(CARRINGTON)

Foreign and Commonwealth Office

14 December 1979





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