



CONFIDENTIAL

CABINET OFFICE
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LONDON SW1A 2AS

25 October 1979

oi- 233 8339
P.0128

G R Waters Esq
Ministry of Agriculture, Fisheries
and Food.

EWOP
PS1
M. Whitmore *KWH*
26c
to Mr.
Ans

Dear Sir,

You told me that your Minister was concerned that the Cabinet minutes of 18 October had not included the point he had made about the effect of the ceiling on VAT contributions to the EEC Budget and thus the possibility that the Chief Secretary's paper C(79) 42 might be making over-provision for our EEC contributions. You asked on his behalf that an amendment should be made to the record to reflect the point.

Having taken advice, and consulted our notebooks, I am writing to say that we could not advise the Prime Minister to accept such an amendment. We do not of course dispute that Mr Walker made the point but it did not arise out of a specific issue then before Cabinet - the Prime Minister had ruled that discussion on agricultural spending would be deferred until 1 November as would consideration of the public expenditure package as a whole. Given that the Chief Secretary had also, while disputing the point, agreed to look at it after the meeting (and he has of course subsequently entered into correspondence with your Minister about it), it seemed to us that the appropriate course would be to pick up any resulting discussion and conclusions in the record of the 1 November Cabinet.

I am copying this letter for information to Tim Lankester, No 10.

Yours sincerely
P Le Cheminant

P Le CHEMINANT

25 OCT 1979

