

CONFIDENTIAL

NOTE FOR THE RECORD

Extract from :—

CONVERSATION BETWEEN THE PRIME MINISTER, THE FOREIGN AND
COMMONWEALTH SECRETARY AND THE LORD PRIVY SEAL IN 10 DOWNING STREET
ON 8 MAY 1979 AT 1230

EEC Budget

The Prime Minister said that the present situation was unfair, unreasonable and unjust. It was essential to make progress towards changing it before the European Elections. The calculation of budgetary contributions should in future be directly related to a country's GDP.