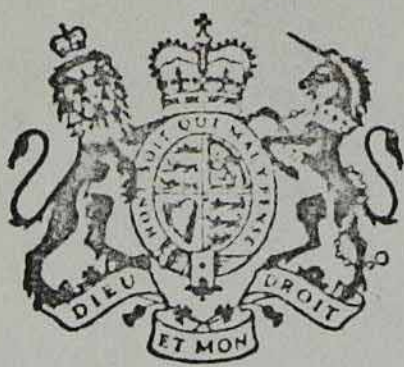


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10 DOWNING STREET

From the Private Secretary

7 December 1979

*Top copy filed on Euro 801 (July 79) " PM meeting with Scott-Hopkins "*

Call by Mr. Scott-Hopkins

Mr. Scott-Hopkins, the Leader of the European Democratic Group in Strasbourg, called on the Prime Minister this morning to discuss the possible rejection of the 1980 EEC Budget by the European Parliament. He left some background papers with the Prime Minister. I enclose copies.

Mr. Scott-Hopkins said that the European Democratic Group had decided, virtually unanimously, to reject the 1980 Budget. It was possible that one or two of the Danish members might abstain but otherwise his Group was united. He thought it very likely that the Parliament as a whole would vote in favour of rejection. The Commission would no doubt try to produce proposals to buy off a sufficient minority of the Parliament to secure the passage of the Budget. They would be aiming at the Irish, the Danes and the French. Mr. Scott-Hopkins thought it was unlikely that they would succeed. In order to make any impact on those who were at present firmly opposed to the Budget, the Commission would have to increase the expenditure on the regional and social side of the Budget by at least 1,000 meuas. It was not easy to envisage how they could do this.

Mr. Scott-Hopkins said that his Christian Democratic colleagues in the Parliament were confident that Italy and the Benelux countries would be prepared to block the passage through the Council of Ministers of any Commission proposal sufficiently large to have an impact in the Parliament. He did not make a specific request for the UK to assist in blocking such a proposal but made it clear that he hoped we would do so. The Prime Minister indicated that the prospect of the Budget being rejected by the European Parliament caused her no displeasure.

Mr. Scott-Hopkins said at one point that agricultural surpluses were at present being sold to Iran as well as to the Soviet Union. I should be grateful to know soon whether there is any truth in this.

Mr. Scott-Hopkins did not raise the question of HMG's failure to support the earlier efforts of the European Parliament to amend the Community Budget.

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I am sending copies of this letter to Tony Battishill (HM Treasury), Garth Waters (Ministry of Agriculture, Fisheries and Food) and Martin Vile (Cabinet Office).

Paul Lever Esq  
Foreign and Commonwealth Office

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