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CONFIDENTIAL

Ref. A0323

Prime Minister

PRIME MINISTER

Apex Draft?

Yes out.

Paul

Community Budget: Chancellor's Proposal for a Publication

Your Private Secretary has received copies of the correspondence between the Chancellor of the Exchequer (his Private Secretary's letter to the Foreign and Commonwealth Secretary's of 20th September) and the Lord Privy Seal (his letter of ⁵26th September) about a proposal for a Treasury publication setting out our case for a more equitable Budget contribution.

2. We have scored a success with the Commission's reference document. There is no longer room for argument about the nature or extent of our problem: what we are concerned about now is a solution. To publicly restate our case in the way that is proposed might imply that it had not been established, and certainly any inconsistencies would be used against us. Nor should we obscure the Budget issue at this stage with other questions such as the trade cost of the CAP. The Lord Privy Seal is also probably right therefore in thinking that such a publication would hinder rather than help the negotiations themselves.

3. It remains to be seen whether, when Parliament is back, pressure builds up for such a statement of the Government's position. It seems likely that the Commission's reference document will be published at some stage. If so we shall have to deposit it with Parliament accompanied by an Explanatory Memorandum. This might be sufficient to meet the case.

4. I attach a draft letter for your Private Secretary to send to the Chancellor of the Exchequer's.

John

(John Hunt)

28th September, 1979

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Letter

DRAFT MINUTE FROM MR. ALEXANDER TO MR. HALL,
TREASURY

Community Budget: Chancellor's Proposal
for a Publication

The Prime Minister has seen a copy of your letter of 20th September to Paul Lever, and a copy of the Lord Privy Seal's letter of 26th September, about a possible Treasury publication on our case for a more equitable Community Budget contribution.

2. She believes that the Lord Privy Seal has made out a strong case against the publication of such a document. As to Parliament, an appropriate Explanatory Memorandum accompanying the Commission's reference document if and when it is deposited would probably meet the case. The question could be reconsidered if there was strong pressure from the House for a Government Paper or if, for any reason, the Commission's paper is not formally made public by the Commission.

3. *I am sending copies of this letter to the Private Secretaries of the members of OD(E) and to Martin Vile (Cabinet Office).*

Paul

Issue.

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OD(E)

DSG

European Policy



FILE

cc: FCO
(Chanc. of Ex)
Lord Pres.
Lord Privy Seal
MAFF
D/Trade
Att.General
+C.O.

10 DOWNING STREET

From the Private Secretary

1 October 1979

COMMUNITY BUDGET: CHANCELLOR'S PROPOSAL FOR A PUBLICATION

The Prime Minister has seen a copy of your letter of 20 September to Paul Lever, and a copy of the Lord Privy Seal's letter of 26 September, about a possible Treasury publication on our case for a more equitable Community Budget contribution.

She believes that the Lord Privy Seal has made out a strong case against the publication of such a document. As to Parliament, an appropriate Explanatory Memorandum accompanying the Commission's reference document if and when it is deposited would probably meet the case. The question could be reconsidered if there was strong pressure from the House for a Government Paper or if, for any reason, the Commission's paper is not formally made public by the Commission.

I am sending copies of this letter to the Private Secretaries of the members of OD(E) and to Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

M. A. Hall, Esq.,
H.M. Treasury.

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DSG