

Europ Pol.

Prime Minister

Your meeting with Jim Scott-Hopkins  
0845 Friday 7th December 1979

Jim Scott-Hopkins telephoned this afternoon.

The European Group have decided, and with a conclusive vote, to reject the EEC Budget.

In Jim Scott-Hopkins's view, the whole thing hinges on the fact that the Group wants to review things after he has seen you and they will do so on Monday afternoon. He does not mention this in his press statement, (which I attach).

He will obviously give you further background details when he sees you tomorrow but asked that I pass this on to you as he feels that the press reports might be 'garbled'.

Tessa  
6.12.79

OD(E) are considering this whole issue on Monday. You won't want to preempt that discussion.

R.  
6/12

EUROPEAN



PARLIAMENT

# EUROPEAN DEMOCRATIC GROUP

BRITISH CONSERVATIVES, DANISH CONSERVATIVES  
DANISH CENTRE DEMOCRAT, ULSTER UNIONIST.

## PRESS SERVICE

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The European Democratic Group has been meeting in Brussels for the last three days. A number of matters have been discussed but the 1979 Supplementary Budget and the 1980 Budget predominated.

On the Supplementary Budget, the Group has decided to follow the recommendations of the Budget Committee and to seek assurances from the Commission in regard to cut-price sales of surplus dairy products on the world market; and to freeze a section of the Budget if those assurances are not forthcoming.

Following the decision of the European Parliament's Budget Committee to recommend that the Parliament's plenary session next week should not accept the 1980 draft Budget, the European Democratic Group this morning voted substantially to follow the Budget Committee's recommendation.

The European Democratic Group will seek to amend the Budget Committee's draft resolution, adding to it a paragraph drawing attention to the fact that the 1980 draft Budget as it now stands is quite simply a bad Budget from the Community's point of view.

In recent weeks all Member States have criticised the bad balance between agricultural expenditure on surpluses and regional, industrial and structural development.

Rejection of the Budget would give Ministers an opportunity to redress this imbalance.

END

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