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Prime Minister

I have been thinking further about Dublin after our talk yesterday evening. I think the important points are as follows:

1. I hope you will begin and end your statement with firm conviction and belief in the future value of the Community not only for its Members but for the Western World at large.
2. You will obviously be as firm as firm can be on the absolute necessity of an alteration of major proportions - indeed broad balance - of our net contribution. This need not take too long to say.
3. I hope you will make much of the assurance given by the Community as a whole to us in our negotiations. The moment of truth has now come and the Community must find a solution. Otherwise it runs very grave risks indeed. I hope you will put a greater accent, and therefore steer the argument on to what would be a reasonable contribution by the UK rather than on how much we need to get back from our present contribution. I suggest you do not throw away the MCA argument as easily as your draft speech proposes, but go on to say that while it would not be unreasonable for us to pay net £100 million or so it certainly cannot be reasonable that we pay as much or more than Germany and many times more than France. You would then use the battle ground of figures rather than mechanism which I believe would be more embarrassing for the others and rewarding for you.
4. You clearly will not get anything like as far as you need at Dublin. The Community has never been renowned for taking unpleasant decisions (which this of course is for all our partners) without long wrangling. I hope that if you make it clear that by not meeting your point the Community is running risks of crisis proportion that either the Presidency or some other Head of Government will suggest a further meeting. It would be better from our point of view if this came from someone else but failing that then I hope that you will.
5. I do hope you won't worry too much about "the cards in your hand"; although each of the possibilities mentioned in the paper which you commissioned did not in themselves mean much there is no doubt that a major country like us can if we wish disrupt the Community.
6. Now is not the time to take any decision about what action we should take if neither Dublin nor the next meeting gives you what you need. But as I will in all probability be far away by then

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I would just like to say that I hope that you will make the punishment fit the crime and you may ultimately need to withhold payments. But equally we would do well to shame them even more if in one or two other areas of Community life we gave an earnest of our belief in the need for the cohesion of the Community and its influence. This also would apply to "political co-operation".

I am copying this minute to Peter Carrington and Robert Armstrong.

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SOAMES
28 November 1979

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