



PM/80/58

PRIME MINISTER

SECRET

*L.S. Hunt*  
Prime Minister

*You will be receiving a fuller account of the Foreign Secretary's meeting with his French & German colleagues.*

EC Budget

*Envo Pol.*  
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*mt Hunt*

1. As you know, I propose to visit Brussels on 21/22 July in order to participate in at least part of the last Foreign Affairs Council before the holidays. There is a long agenda, which includes a number of important questions but there is only one with which I think I ought to trouble you and about which I spoke yesterday.
2. The Council will be discussing, on the basis of drafts prepared by the Commission, the regulations necessary to implement the agreement the Council reached on 30 May on our budget contribution. It will not be possible for the Council actually to adopt the regulations because the European Parliament will not deliver its opinion on them until September. In any case there are a number of outstanding questions to be resolved on them. I do not take too tragic a view of this delay and nor, I believe, does Geoffrey Howe. But I will do my best to maintain the momentum towards agreement on these regulations and I shall make it clear at the Council that we expect decisions soon after the holidays.
3. Many of the problems are of a technical nature. There are, however, disturbing indications that the French are still working for a link between the payment of the money, for which the 30 May agreement provides, and the negotiations on next year's prices; and that they may be getting some support from the Germans. I therefore thought it wise to discuss this aspect of the regulations on 16 July at the second of my private dinners with Jean Francois-Poncet and Hans Dietrich Genscher (the existence of which we are, as you know, trying to keep completely confidential) and I shall be following it up with them.

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4. I am sending a copy of this minute to the Chancellor of the Exchequer and to Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a large, stylized letter 'C' with a horizontal stroke underneath it.

(CARRINGTON)

Foreign and Commonwealth Office  
21 July 1980

SECRET

21 JUL 1980

