

RECORD OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND THE
FOREIGN AND COMMONWEALTH SECRETARY AT 1015 AM ON FRIDAY 30 MAY 1980

PM: Peter, at last, how are you?

LC: Sorry, I'm in Brussels and the telephone system doesn't work. We just finished about half an hour ago and I will get into an aeroplane as quick as I possibly can and come to you at Chequers.

PM: Yes.

LR: I think on the whole it's all right.

PM: All right Peter, you must be exhausted.

LC: But I think what we've got broadly speaking is a guarantee for the third year. This is the net contribution of 730 for '81.

PM: 730?

LC: Which is the column 4 figure and the first year about 600. There are certain other things which are quite good.

PM: 600 the first year?

LC: Yes.

PM: 730 the second, and the third?

LC: And the third, a guarantee that if the radical revision of the Community's finances has not taken place they will act as they did in the first two years.

PM: At Luxembourg we had 538.

LC: Yes, but if you add it all up, we've got more. We've got a total in the two years of just under, a return of just under 2600 plus a formula in case our contribution gets over the odds.

/ PM:

PM: Yes, what I think I'll do Peter is get onto the Treasury because you see what matters to us is the figures that were in the five years ahead, which was expenditure of about £1100 in this year and what we want to know is how much now that's going to come down because that's how it will be done.

LC: Our contribution this year will be on the basis of the 1800 figure, will be roughly 600, but it will be more if it goes above this.

PM: Yes. The question is, that's on the importer benefits basis isn't it? Our Treasury operate on the exporter benefits basis.

LC: That I think is no MCAs isn't it?

PM: Yes, which is the one in the Public Spending White Paper. Anyway, Peter you must be exhausted. Do you want us to do anything at this end?

LC: I sent a flash telegram with the details rather more than I've given you on the telephone.

PM: Yes, I will have that. I've got the sheepmeat details but not the Budget details.

LC: Well we only sent it half an hour ago.

PM: All right Peter.

LC: It ought to be there and I ought to be with you in about an hour and a half.

PM: All right. Have you had any sleep?

LC: No we haven't. We've been through all night.

PM: I'm sorry.

LC: Well, it doesn't matter if it works.

PM: All right Peter. We'll look forward to seeing you. Goodbye.