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FCS/85/322CDP
11/12MINISTER OF STATE, TREASURYEC Budget Council, 11 December

1. I have seen copies of your minute of 9 December to the Prime Minister about the forthcoming Budget Council, and of Mr Powell's reply recording the Prime Minister's agreement.
2. I agree that we should only vote in favour if to do so would enable us to get the budget established at a lower level than would otherwise be the case, or if this were necessary to prevent the Parliament adopting an illegal budget. As you point out, the adoption of an illegal budget could lead to the implementation of a provisional twelfths regime which could in turn affect our abatement, since others may dispute our entitlement in these circumstances. For future years the provisions of the Own Resources Decision will enable us to secure our abatement automatically even under a provisional twelfths regime.
3. I am copying this minute to the Prime Minister, members of OD(E), the Secretaries of State for Energy and Transport, the Minister of Overseas Development and Sir Robert Armstrong.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

11 December 1985

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