

CONFIDENTIAL



Call
Prime Minister
CDD
8/1

Treasury Chambers, Parliament Street, SW1P 3AG

Charles Powell Esq
10 Downing Street
LONDON SW1

7 January 1986

Dear Charles,

MW

OUR 1000 MECU ABATEMENT

The Minister of State has asked me to let you know that on 6 January we received the last instalment of the 1000 million ecu abatement in respect of 1984 which the Prime Minister negotiated at Fontainebleau.

As you know, the abatement was originally due to be made during the course of 1985, but, as the provision for it was included in the new Own Resources Decision, it could not be paid until all member states had notified their approval of that Decision. The final notification was made on 28 December, and the Commission immediately set in motion the machinery they had already set up to effect payment. They paid us some £166m out of the resources they already had available in the UK on 31 December, and the foreign exchange transactions necessary to pay the rest were completed on 6 January. The final sum received was £604.634m.

The Prime Minister will wish to know also that, despite the dispute over the 1986 Community Budget, we have received the first instalment of our abatement for 1985 payable during 1986 under the Fontainebleau correction mechanism.

A copy of this letter goes to Len Appleyard, Private Secretary to the Foreign Secretary, and to David Williamson (Cabinet Office).

*Yours etc,
Mike Norgrove*

M W NORGROVE
Private Secretary

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