

1. MR COLBY

2. PRIME MINISTER

I think this is all right for pre-Stuttgart  
briefing. The time to begin it will be at  
Stuttgart. APR 14  
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### STUTTGART

In the light of the outcome of the Foreign Affairs Council I propose to take the presentational line set out below in briefing the media this week.

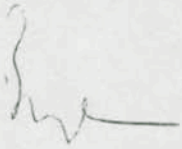
It is designed to present a firm but fair, determined but not threatening, committed but not supplicant stance.

The proposed line is as follows:

1. there is no doubt that the UK will achieve a satisfactory rebate (not to mention satisfactory reform of the EC's financial structure) because the principle has been conceded (1980/82); it is not a question of whether but precisely when;
2. the European Council's commitment to incorporate a satisfactory rebate in the 1984 draft Budget is unambiguous and unconditional; the Prime Minister takes such commitments, given on at least 3 occasions (twice in 1982 and again in March), very seriously indeed;
3. in short the principle has long been conceded and promises have long been made; the UK has right and EC duty on its side;
4. no increase in own resources required if the financial structure is reformed;
5. no point in playing it long; Mrs Thatcher is there for 5 years with huge majority and tremendous mandate to secure fair and reasonable settlement;
6. no advantage to anyone to put off a settlement; every advantage to bite on the bullet now because delay can only damage the Community's fabric and credibility;



7. moreover, the European Community needs to put its finances on a firmer and fairer footing - and that too has been recognised by our partners; the need to curb agriculture spending and to husband our own resources is manifest;
8. no point in souring the EC atmosphere or in holding up the application of the Prime Minister's energies to the development of the Community;
9. the British public would not understand a failure to achieve a settlement and this would put the Community into a serious predicament. In that event, the British Government would have to consider its position very seriously because a very serious situation would have arisen;
10. moral: let's sort it out and remove a major obstacle in the way of the EC's development as a greater economic/political force in the world.



B. INGHAM

14 June 1983