



10 DOWNING STREET

THE PRIME MINISTER

23 December, 1983

Dear Henry,

Thank you for your letter of 16 December setting out the action taken by the European Democratic Group in the European Parliament this week on the question of the 1984 Budget, and within this the question of payment of the 1983 British refunds. I am grateful to you for this detailed account.

Thank you for your seasonal greetings. I wish you a very happy Christmas and New Year.

*Yours sincerely
Margaret*

Sir Henry Plumb, D.L., M.E.P.

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Conservative and Unionist Party, GB
Det konservative folkeparti, DK
Ulster Unionist Party, N. Ireland



EUROPEAN DEMOCRATIC GROUP
EUROPEAN PARLIAMENT

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16 December 1983

The Rt Hon Margaret Thatcher MP
The Prime Minister
10 Downing Street
LONDON SW1

Dear Prime Minister,

In view of the conflicting and sometimes misleading reports which British journalists have been filing this week from Strasbourg, I thought it worthwhile to write and set out briefly to you the Group's strategy and action in the Parliament this week.

Our principal aims this week have been twofold: to avoid the 1984 Budget being rejected and to ensure that the British refunds for 1983 were paid within that budget as soon as possible. From early in the week, it was clear that the Budgets Committee would not recommend rejection of the budget to the Parliament. The Budgets Committee, continued, however, to consider the placing of the British and German rebates for 1983 in a suspensory account (Chapter 100) as a possible means of "putting pressure on the Council to produce a lasting solution to the Community's financial problems;" our argument that this would be to discriminate against the principal victim of these problems, the UK, was forcefully but ultimately unsuccessfully put by our representatives on the Committee. It seemed at one stage as if the Committee might recommend the immediate paying of the rebates as long as they were classified in new, non-obligatory budget lines; but the Committee's final recommendation to Parliament was, unfortunately, for the British and German refunds to go into Chapter 100.

Even until voting in the Plenary yesterday on the specific amendment to put the refunds into Chapter 100, we had hoped to persuade enough of our allies in other Groups at least to abstain from voting on the amendment; this might have prevented the amendment's obtaining the minimum of 218 votes needed on second reading in the Parliament. In order not

to antagonise unnecessarily these potential allies, we abstained on the unsuccessful Labour motion to reject the entire budget from the Council, including the British refunds on their original spending "lines". After the British refund had been voted into Chapter 100, we put and voted for our own, again unsuccessful motion to reject the whole budget, a symbolic gesture of our anger at this discriminatory decision by the Parliament; we continued then to vote against all further amendments to the Council's budget.

The Budget has now been voted by the Parliament in Plenary session; it is not officially adopted until signed by Mr Dankert. I understand he intends to sign it on Tuesday 20 December, failing serious objections from the Council of Ministers. Unless the Council therefore persuades him not to declare the budget adopted (for example by strongly disputing Parliament's calculation of its margin of manoeuvre, a calculation in which the classification of the British refunds would be central), the Community will have a budget for 1984. I have pointed out in interviews that the date by which it is essential that the British refund be paid is 31 March 1984, and that the European Council earlier in March of that year might well make it easier to meet that deadline for payment. As you yourself said in the House of Commons yesterday, the European Parliament earlier this year released the British refund which it had blocked in the December session of 1982; I hope history will repeat itself.

The purpose of this letter has been to look back and describe rather than look forward. May I take this opportunity, however, of wishing you and your family a Happy Christmas and a peaceful and prosperous New Year? If nothing else 1984 can scarcely be as bad as a certain Burmese policeman once thought it would be!

Yours ever,

Henry

HENRY PLUMB

to anticipate unacceptably large Government deficits, we should not be surprised if our nation to reject the entire budget from the Council, including the British funds on their original "line". After the British voted to vote into Chapter 100, we had not voted for our own, again unacceptably position to reject the whole budget, a symbolic gesture of our anger at this discriminatory decision by the Parliament we continued them to vote against all further amendments to the Council's budget.

The budget has now been voted by the Parliament in January and it is not officially adopted until signed by the Council. I understand we intend to sign it on Monday 20 December, following various discussions from the Council of Ministers. Unless the Council therefore persuaded us to delay the budget signed (for example) by the Parliament's calculation of the margin of error, a situation in which the official of the British funds would be central. The Council will have a budget for 1984. I have pointed out in the past that the fact by which it is essential that the British funds be paid in March 1984, and that the European Council earlier in March of that year might well make it easier to meet that deadline for payment. As you yourself said in the House of Commons yesterday, the European Parliament earlier this year released the British funds which it had blocked in the December session of 1983. I hope history will repeat itself.

The purpose of this letter has been to look back and describe rather than look forward. My last visit to opportunity, however, of wishing you and your family a Happy Christmas and a peaceful Christmas. New Year. It remains also 1984 and, especially in an era of constant change, I hope it will be a good one.

HENRY SHARP



10 DOWNING STREET

PRIME MINISTER

cc: Mr. Coles
Mr. Alison

[Handwritten initials]
I spoke to Sir Henry Plumb's office today saying that you would be willing to see him. As you are so busy he is going to make contact with the three Ministers concerned and try not to trouble you.

CP.

23 January, 1984

[Handwritten initials]



10 DOWNING STREET

PRIME MINISTER

cc: Mr. Coles
Mr. Alison

Sir Henry Plumb would like
either to see you or to have a
few minutes with you on the
telephone next week to discuss
British budget rebates and
Parliamentary regulations
connected with this.

Next week is ghastly but shall I
fit him in?

cx. Yes no

20 January, 1984