



Prime Minute

A.J.C. 25/1.

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

FOREIGN SECRETARY

EC 1983 REFUND

In my minute of 5 January, I promised to circulate some material on whether the Commission would be able to pay us up to a 90 per cent refund at the end of March.

2. The Commission report that their cash balances held with national Treasuries and commercial banks amounted to around £1.3 billion on 1 January. Based on the estimates in the 1984 budget, their revenue in the first three months should be around £3.7 billion. Expenditure in these three months in relation to both the 1983 and 1984 budgets could amount to around £4.3 billion, taking account of their CAP management economies, introduced from this month.
3. This suggests that the position will be pretty tight, but that they ought to be able to pay up to 90 per cent of our refunds (some £515 million) and, indeed, the outstanding £42 million risk-sharing money, by the end of March. We shall watch the position closely.
4. The Commission will of course have to ensure that the required funds are in the EEC No 1 Account in London; and, given recent criticisms from the Court of Auditors, they may on this occasion wish to wait until after the transfer proposals have been issued and further progress has been made on the draft regulations, before they start to purchase the necessary sterling. UKREP will explore this angle with Tugendhat's Cabinet.
5. Copies of this minute go to the Prime Minister and Sir Robert Armstrong.

  
(N.L.)

24 January 1984

euro for budget 1122

24 JAN 1984

