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Prime Minister

A.J.C. 13/3.

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

9 March 1984

A J Coles Esq
10 Downing Street

Dear John,

COMMUNITY CASH POSITION

At her meeting yesterday the Prime Minister asked about the balance on the Commission's account with the Paymaster General, (EEC No.1).

At close of play last night (8 March) the balance was just under £53 million. This is reasonable in view of the Commission's current cash position and does not, to our knowledge, reflect any unusual payments. We have received instructions to pay about £3 million out today. Our next scheduled payments into the account are on 20 March, when about £120 million of non-VAT Own Resources in respect of January will be paid; and on 1 April when about £141 million for VAT Own Resources is due. The additional (advance) payment the Commission may now request during March (about £100 million or a bit more) would represent non-VAT Own Resources in respect of February, which would not normally be due for payment until 20 April.

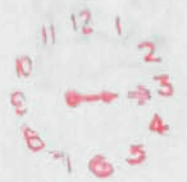
We are monitoring the account closely, but in advance of decisions about expenditure during March, particularly the phasing of agricultural advances, we cannot at this stage assess at all accurately the likely balance in the account at the end of the month. Commission officials have however given UKREP a preliminary assurance that they will be able to find the necessary cash to pay our refunds before the end of March, once the Parliament has approved the necessary budget transfers. But we will clearly need to keep the pressure on the Commission to fulfil this assurance after the European Council.

Copies of this letter go to the Private Secretaries to the Foreign and Commonwealth Secretary, Minister of Agriculture and to Sir Robert Armstrong.

Yours sincerely,
Judith Simpson

MISS J C SIMPSON
Private Secretary

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