



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

PRIME MINISTER

COMMUNITY CASH POSITION 1984: 1983 REFUNDS

In my minute of 6 March I suggested how we might respond if the Commission were to call for an advance payment of own resources by 20 March. After representations by UKREP, they did not issue such a request. But they have now asked for an advance by not later than 30 March.

2. The timing, though less awkward, is still tricky. But I hold to my earlier view that we ought at this stage to play strictly by the rules, and be seen to put ourselves in a position to make the advance on 30 March. If we were seen not to do so, that could be disadvantageous at the European Council; the European Parliament could be more likely to delay our refunds; and the Commission might be unwilling (or conceivably unable) to pay them.

3. But we need not commit ourselves to make the advance before we know where we stand on the refunds. (And we could I think face difficulties in the House if we tried.)

4. I accordingly propose that the necessary Supplementary Estimate should be formally laid before the House on Friday, for the necessary scrutiny by the Treasury and Civil Service Committee, but that we should then make it clear to the Committee Chairman that we would not intend to put it to the Vote until the European Parliament had approved the transfer of our refunds.

5. If, as is likely, the Committee call for an Estimate Day debate, it and the Vote would then be scheduled for either 28 or 29 March, with the Consolidated Fund Bill being taken through to remaining stages on 29 or 30 March. This is on the assumptions that the European Council goes well, that our refund regulations and the

Content?

Yes

Do you wish to mention in

Cabinet? Yes A.S.C. 14/3.

This was discussed in Cabinet

today. A.S.C. 15/3 h.a.

PC NO
PC



budgetary transfers are approved by the Foreign Affairs Council on 20 March, and that the European Parliament does its stuff (in the period 26-28 March). If these assumptions are invalidated, it will still be open to us to decide to allow the Estimate to lapse.

6. If asked about the Estimate, our answer should I think be that the Commission request to all Member States is apparently necessary to ensure that they are in a position to pay our refunds by 31 March. (UKREP has been instructed to press Tugendhat for a definite assurance that the refund money will be available by 31 March and a full explanation of how they will arrange the flow of funds.) If asked what we would do if the refunds are blocked by the Parliament or Council, we should say that we will re-examine the position if and when that arises.

7. I understand that the Foreign Secretary agrees with my proposal. Copies of this minute go to him, and to the Lord President, the Lord Privy Seal, the Minister of Agriculture, the Chief Whip and Sir Robert Armstrong.

A handwritten signature in black ink, appearing to be 'N.L.' with a flourish.

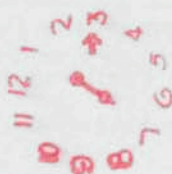
N.L.

14 March 1984

EURO Budget Pt 23



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CORRECTION