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*note transferred from B/u copy.*

*"Agreed at meeting on 15 June that FCS could say that we could consider advancing the date of bringing in new own resources as part of a satisfactory overall settlement. But this must be without commitment at all."*

PRIME MINISTER

Community Budget Negotiations and the 1984/85 Budget Overrun

You earlier saw the Chancellor's minute on how to deal with the linked problems of budget imbalance, 1984 overrun, 1984 refunds and 1985 Budget. (Flag A).

The Foreign and Commonwealth Secretary and Mr. Williamson subsequently gave their views (Flags B and C). (You have not yet seen these.)

(FLAG D)

The Chancellor and the Foreign and Commonwealth Secretary have now met and agreed the line in the attached minute of the 12th.

Sir Geoffrey Howe feels he will probably need to tell Dumas privately that we might agree to an arrangement of the kind proposed in his minute. He might also have to mention it to one or two others at the Foreign Affairs Council next week, though would hope to keep the card for you to play at Fontainebleau.

This is a major tactical decision. Do you agree with the course proposed by Sir Geoffrey in paragraph 5 of his minute of 12 June?

*No. If we agree to this CDP.*

*then by analogy with what happened after C.B.P. in 1982 we should not be able to violate national interest because of lack of agreement on budgetary intentions. not.*

13 June, 1984.

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