

Prime Minister

CONFIDENTIAL

Qz.03787

NOTE FOR THE RECORD

A bit more optimistic:
but I doubt that the
French have settled
their final position
yet.

CJP 22/6

EUROPEAN COUNCIL: PREPARATION FOR THE EUROPEAN COUNCIL

Monsieur Davignon spoke to me this morning on the telephone. He said that his information was that the preparation of the French Presidency's position on budget imbalances was now in the final stages in Paris. He believed that they would be ready to propose:

- one ad hoc year;
- system thereafter with a single rate of compensation (no threshold);
- no rate of compensation for the Germans but an abatement for the Germans of their normal rate of contribution to the British refund.

He said that his own enquiries indicated that the Italians, Belgians, Danes and Irish would all go along with this.

Df Williamson

D F WILLIAMSON

Cabinet Office

22 June 1984

cc: Mr Powell, No 10 Downing St

Mr Bone)
Sir Crispin Tickell) FCO
Mr Renwick)

Mr Unwin, Treasury

Sir Michael Butler, UKREP, Brussels

Mr Stapleton
Mr Durie

CONFIDENTIAL