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MWF 100/42		
RECEIVED IN REGISTRY		
20 JUL 1984		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

CONFIDENTIAL

33013 - 1

OO UKREP BRUSSELS
 GRS 180
 CONFIDENTIAL [FRAME ECONOMIC]
 FM FCO 161300Z JUL 84
 TO IMMEDIATE UKREP BRUSSELS
 TELEGRAM NUMBER 351 OF 18 JULY
 INFO OTHER EC POSTS
 YOUR TELNO 2390: 1984 AND 1985 BUDGETS

1. PLEASE DELIVER THE FOLLOWING REPLY FROM THE PRIME
 MINISTER TO M THORN.
 BEGINS

QUOTE THANK YOU FOR YOUR LETTER OF 12 JULY.

I AM VERY CONSCIOUS OF THE SCALE OF THE BUDGET PROBLEM
 FACING THE COMMUNITY. THIS IS WHY THE BRITISH GOVERNMENT HAS
 PUT FORWARD DETAILED PROPOSALS FOR SAVINGS. OTHER MEMBER
 STATES HAVE DONE THE SAME. THE BUDGET COUNCIL WILL BE AN
 OPPORTUNITY TO GIVE THESE PROPOSALS THE FULL CONSIDERATION
 WHICH IS NECESSARY.

IF THE BUDGET COUNCIL CONCLUDES THAT, WHEN THE FULL
 SCOPE FOR SAVINGS HAS BEEN EXHAUSTED, THERE IS STILL A POTENTIAL
 PROBLEM, THEN WE ARE WILLING TO CONSIDER TOGETHER HOW THE
 REMAINING PROBLEM SHOULD BE TACKLED WHILE RESPECTING ARTICLE
 199 OF THE TREATY AND WITHIN THE COMMUNITY'S OWN RESOURCES

I HAVE DRAWN YOUR LETTER TO THE ATTENTION OF IAN
 STEWART, THE ECONOMIC SECRETARY TO THE TREASURY, WHO WILL BE
 THE BRITISH REPRESENTATIVE AT THE BUDGET COUNCIL.
 UNQUOTE. ENDS

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 FRAME ECONOMIC
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RESTRICTED



File *SM*

10 DOWNING STREET

From the Private Secretary

18 July 1984

Message from Gaston Thorn

Thank you for your letter of 17 July enclosing a draft reply from the Prime Minister to M. Thorn's letter of 12 July about the 1984/85 Budget over-run.

BF
The Prime Minister has approved the message and I should be grateful if you could arrange for its early despatch.

I am sending copies of this letter to the Private Secretaries to the Chancellor of the Exchequer, the Economic Secretary and Sir Robert Armstrong.

C D Powell

Colin Budd Esq
Foreign and Commonwealth Office

RESTRICTED

cc/PC



Foreign and Commonwealth Office

London SW1A 2AH

17 July 1984

Dear Charles,

Yes Mr Prime Minister
Agree
message to
M. Thorn?

Message from Gaston Thorn

Thank you for your letter of 13 July.

I enclose a draft reply from the Prime Minister to M. Thorn's letter of 12 July about the Commission's proposals for dealing with the 1984/85 budget overrun.

CDD
17/7

The reply does not go into the detail of our position since this will be made clear at the Budget Council on Wednesday. Both the Foreign Secretary and the Economic Secretary have approved the proposed reply. Sir Geoffrey Howe thinks that a reply should be sent to M. Thorn.

I am copying this letter and enclosure to the Private Secretaries to the Chancellor of the Exchequer, the Economic Secretary and Sir Robert Armstrong.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

OUT TELEGRAM

Classification and Caveats
CONFIDENTIAL

Precedence / Deskby
IMMEDIATE

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	CONFIDENTIAL
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO 161300Z JUL 84
PRE/ADD	7	TO IMMEDIATE UKREP BRUSSELS
TEL NO	8	TELEGRAM NUMBER
	9	AND REPEATED TO FOR INFORMATION OTHER EC POSTS
	10	YOUR TELNO 2390: 1984 AND 1985 BUDGETS
	11	1. Please deliver the following reply from the Prime
	12	Minister to M Thorn.
	13	Begins
	14	Quote Thank you for your letter of 12 July.
	15	I am very conscious of the scale of the budget problem
	16	facing the Community. This is why the British Government has
	17	put forward detailed proposals for savings. Other member
	18	states have done the same. The Budget Council will be an
	19	opportunity to give these proposals the full con sideration
	20	which is necessary.
	21	If the Budget Council concludes that, when the full
///	22	scope for savings has been exhausted, there is still a potential
//	23	problem, then we are willing to consider together how the
/	24	remaining problem should be tackled while respe cting Article
	25	199 of the Treaty and within the Community's Own Resources

NNNN ends telegram	BLANK	Catchword
File number	Dept	Distribution
Drafted by (Block capitals)		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

Classification and Caveats

CONFIDENTIAL

IMMEDIATE

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2

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1 <<<<

2 I have drawn your letter to the attention of Ian
3 Stewart, the Economic Secretary to the Treasury, who will be
4 the British representative at the Budget Council.
5 Unquote. Ends

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7 HOWE

8 NNNN

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NNNN ends
telegram

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Catchword



horse

10 DOWNING STREET

From the Private Secretary

13 July 1984

Message from Gaston Thorn

Roger Bone sent over a copy of the message which President Thorn had sent the Prime Minister about the Community budget. The answer will of course be explicit in the position we adopt at the Budget Council next week. There seems to me therefore little point in a substantive reply unless it is sent quickly and before the Budget Council.

BF |

I should be grateful for advice on this and a draft reply in the form you judge most suitable.

C.D. POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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