

CEPC



Foreign and Commonwealth Office

London SW1A 2AH

6 August, 1984

Dear Charles,

European Parliament: 1983 Refund

Thank you for your letter of 1 August, enclosing Sir Henry Plumb's letter to the Prime Minister about last week's vote in the European Parliament. I enclose a draft reply.

Sir Henry Plumb draws attention to the attitude of other Community Governments who may, he believes, have contributed to the problem by turning a blind eye to the activities of their MEPs. He suggests that the problem of persuading the European Parliament to approve the transfer of our 1983 refund in the autumn therefore lies as much with other Community Governments as with the Parliament itself.

Whatever the attitude taken by Member States last week, they are in no doubt now of the damaging nature of the Parliament's action and of the extent to which it challenges the Fontainebleau conclusions in general as well as payment of our 1983 refund in particular. The French Government have taken a robust line in condemning the Parliament's action. M. Dumas issued a statement on 29 June saying that the Parliament's vote risked creating serious difficulties for the functioning of the Community and did not contribute in a constructive way to the solution of the budget problem for 1984. The French Prime Minister, M. Fabius described the votes as 'wrong and disastrous'. After the weekly meeting of the French Council of Ministers on 1 August, M. Dumas issued another statement in which he quoted President Mitterrand as recalling that an agreement had been reached at Fontainebleau on the major Community questions and saying that "we must watch over the proper implementation of agreements thus entered into".

Although none of the other Community Governments has issued official statements deploring the Parliament's action, the Federal German Chancellery have confirmed that they advised leading CDU MEPs against supporting the motion on the grounds that the refunds had been promised to Britain and that our readiness to reach an agreement on the 1984 budget problem would only be reduced by the proposed move. These reports confirm the assurance given to you by Herr Ruhfus on 26 July that following your representations on behalf of the Prime Minister, Chancellor Kohl's Parliamentary Private Secretary had been in touch with Herr Klepsch, the



leader of the Christian Democrats in the European Parliament.

We have already made approaches to all Community governments in the aftermath of the vote, pointing out the damaging implications for the Community as a whole if the Parliament persist in their opposition to the refunds. The implications for handling the negotiations on the 1984/85 overrun and on the implementation of the Fontainebleau agreement have been set out in the Foreign Secretary's minute to the Prime Minister of 3 August.

I am copying this letter and enclosure to David Peretz (HM Treasury), Ivor Llewelyn (MAFF) and Richard Hatfield (Cabinet Office).

Yours,

Peter Ricketts

(P F Ricketts)
Private Secretary

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From the Private Secretary

1 August 1984

EUROPEAN PARLIAMENT: 1983 REFUND

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I enclose a copy of a letter to the Prime Minister from Sir Henry Plumb about the background to last week's vote in the European Parliament to block our 1983 refund. (I note that it has also been copied to Sir Geoffrey Howe). I should be grateful for a draft reply.

I am sending a copy of this letter and enclosure to David Peretz (HM Treasury), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

C D Powell

Colin Budd, Esq.,
Foreign and Commonwealth Office

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