



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

7 August 1984

Charles Powell Esq
10 Downing Street

*B/f for meeting on
3 Sep*

Dear Charles,

**EUROPEAN COMMUNITY: 1984 BUDGET OVERRUN:
MEETING WITH DR FITZGERALD**

*DMB
8/8*

Thank you for copying to us your letter of 1 August about the proposed meeting between the Prime Minister and Dr Fitzgerald on 3 September.

The Chancellor has asked me to say that in his view one of the main objectives at this meeting should be to persuade Dr Fitzgerald that the Presidency must take the question of budgetary discipline much more seriously than they have done hitherto. Finance Ministers are due to discuss budgetary discipline at their informal meeting in Ireland on 15-16 September. But the Irish have shown no signs of being ready to prepare for a serious discussion then, despite strong pressure on them from Treasury representatives at the High Level Official Group on Budgetary Discipline in Brussels on 27 July.

The Chancellor thinks it unlikely that, even with Presidency support, we shall be able to secure in this round the legally binding measures we are advocating. But Presidency support is vital if we are to carry the negotiations beyond their present stage and secure budgetary discipline arrangements to which we could at least agree to give a trial. Hence the need to impress on Dr Fitzgerald the high priority we attach to this and our disappointment at the Irish performance so far.

I am copying this letter to Colin Budd (FCO), Ivor Llewellyn (MAFF) and Richard Hatfield (Sir Robert Armstrong's office).

Yours ever

Ad:lt

MISS J C SIMPSON
Private Secretary

Euro Pol: Budget: Pt 27

Part 27.888

File



10 DOWNING STREET

From the Private Secretary

1 August 1984

Dear Colin,

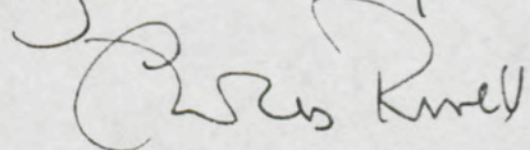
EUROPEAN COMMUNITY: 1984 BUDGET OVERRUN: MEETING WITH DR. FITZGERALD

We have had a message from the Taoiseach's office that he believes it essential to have a meeting with the Prime Minister to discuss European Community business before the Budget Council in early September. This would be part of a series of meetings he will hold with other Community Heads of Government in the days immediately before the Budget Council, with the aim of trying to obtain an early solution of the 1984 Budget problem.

The Prime Minister would have preferred to see Dr. Fitzgerald somewhat later, for instance between the Budget Council and the September Foreign Affairs Council, but does not feel it is possible to refuse the pressing request for an earlier meeting. Since a reply was requested before the Taoiseach's departure on holiday on 2 August, a message is being sent to his office, offering a meeting at 1200 on 3 September, followed by lunch. I should be grateful if this arrangement can be confirmed by HM Ambassador at Dublin. It will be difficult for the Prime Minister to offer alternative dates in this period. The Ambassador might also say that, to avoid speculation, we shall want to make clear that the visit is concerned with Community affairs and is part of a pattern of meetings with other Member States. He might also say that the Prime Minister would prefer it if participation could be kept small on both sides.

We shall probably need to bring forward the internal meeting planned for 4 September to discuss the 1984 Budget overrun. I shall be in touch with you separately about that.

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

Yours sincerely,


Charles Powell

Colin Budd, Esq.,
 Foreign and Commonwealth Office.

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