

CONFIDENTIAL

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ZZ LUXEMBOURG

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FM FCO 021111Z OCT 84

TO FLASH LUXEMBOURG

TELEGRAM NUMBER 64 OF 2 OCTOBER

FOLLOWING PERSONAL FOR PRIVATE SECRETARY FROM PRIVATE OFFICE
BUDGETARY DISCIPLINE

1. THE CHANCELLOR HAS ASKED THAT THE FOLLOWING PERSONAL MESSAGE
SHOULD BE PASSED URGENTLY TO THE SECRETARY OF STATE.

BEGINS: I HAVE REFLECTED FURTHER OVERNIGHT ON AGREEMENT ON
BUDGETARY DISCIPLINE TEXT REACHED AT ECOFIN LAST NIGHT.

I BELIEVE IT IS MOST IMPORTANT TO STICK FAST TO ECOFIN TEXT
AND TO RESIST ANY DISCUSSION OR UNPICKING OF IT AT ALL BY FOREIGN
AFFAIRS COUNCIL. CLEAR AGREEMENT AT ECOFIN WAS THAT TEXT SHOULD
BE REPORTED TO FOREIGN MINISTERS AS IT STANDS AS CONCLUSION OF
ECOFIN AND SHOULD NOT BE OPEN FOR FURTHER DISCUSSION OR AMENDMENT.
I BELIEVE IT IS STRONGLY IN OUR INTEREST TO KEEP TO THIS AND IN
PARTICULARLY ABSOLUTELY TO RESIST ANY ATTEMPT TO DELETE OR WEAKEN
REFERENCE TO QUOTE ORIGINAL BUDGETS UNQUOTE IN ARTICLE 4.
RETENTION OF PRESENT WORDING IS CRUCIAL FOR PREVENTION OF
BASE-DRIFT IN SETTING AGRICULTURAL GUIDELINE AND WAS ACCEPTED BY
ALL EXCEPT DANES AND FRENCH. ALTHOUGH LATTER MAY TAKE HARDER
LINE AT FAC, UNDER INFLUENCE OF ROCARD, BEREGOVY'S RESERVE
AT ECOFIN WAS LINKED TO BUDGET PACKAGE AS A WHOLE AND NOT TO
SUBSTANCE OF ISSUE.

I RECOGNISE THAT SOME MOVE MIGHT BE UNAVOIDABLE AT FAC
TO SECURE ENDORSEMENT OF ECOFIN TEXT. I WOULD STRONGLY PREFER TO
STICK TO PRESENT PRESIDENCY PROPOSAL THAT ECOFIN TEXT SHOULD BE
A COUNCIL DECISION, BUT IF YOU THOUGHT A COMPROMISE ON STATUS
OF TEXT WOULD SECURE AGREEMENT TO CONTENTS, I SHOULD BE PREPARED
TO ACCEPT CALLING IT A COUNCIL CONCLUSION. THIS SHOULD, HOWEVER,
BE ACCOMPANIED BY SUITABLE LONG TITLE SPECIFICALLY RELATING IT TO
IMPLEMENTATION OF BUDGETARY DISCIPLINE, AND ALSO BE BLESSED BY
EUROPEAN COUNCIL IN DECEMBER. I DO NOT (REPEAT NOT) THINK WE
SHOULD ACCEPT A RESOLUTION. ENDS

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