



FCS/84/331

PARLIAMENTARY UNDER SECRETARY FOR HEALTH

Commission Proposal for a Second European Community Programme
to Combat Poverty

1. Thank you for your letter of 10 December. I have also seen Peter Rees' comments. Clearly, our line at this week's Social Affairs Council should be to stick with the Germans and to seek to limit the cost of the programme to around the 20 mecu mark. But we must not veto the programme in isolation; to do so would be difficult to defend in both Community and domestic political terms.

2. I note that Peter Rees has insisted that from 1986/87 you should find off-setting savings from your domestic programme should there be any overrun on your Euro-PES provision caused by this programme. If any offsetting savings are required, they will have to be made in accordance with the PESC-EC arrangements agreed by E(A) last February.

3. I am copying this minute to members of E(A) and OD(E).

GEOFFREY HOWE

Foreign and Commonwealth Office
17 December, 1984