

20

cc: K.

(2)



Prime Minister

Qz.04608

C.D.P.  
2/9

MR POWELL

*Deputy*

PROPOSED UNITED KINGDOM ACTION AGAINST THE COMMISSION IN THE EUROPEAN COURT OF JUSTICE

I should let you know that, subject to the agreement of the Foreign and Commonwealth Secretary (which is expected to be given), it is proposed that the United Kingdom should take the Commission to the European Court of Justice on a point in dispute about the annual premium for sheep. The nub of the matter is that we claim that we have been underpaid £7 million under this premium for 1984/85. The Law Officers have advised that this is an appropriate case for Article 173 proceedings. We consider that we have a reasonable chance of winning.

This is in line with our more aggressive policy in a recent period both in relation to challenging Commission decisions and to intervening in other European Court cases in our interest.

I am sending a copy to Sir Robert Armstrong.

*D F Williamson*

D F WILLIAMSON

2 September 1985