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Treasury Chambers, Parliament Street, SW1P 3AG 071-270 3000

FOREIGN SECRETARY

ENLARGEMENT OF THE COMMUNITY: TIMETABLE

WITH JSW !

Thank you for your minute of 23 January. I have also seen your note to the Prime Minister of 3 February.

- 2. I certainly agree with you that we should continue to be vigorous and determined in our support for the accession of EFTAN countries and should make as much progress as is reasonably possible during our Presidency.
- 3. The problem is that we are stuck with the Maastricht European Council conclusion that future financing discussions should be concluded before enlargement negotiations begin. The future financing round is likely to be both technically complex and wide ranging (it will for example interact with the reform of the CAP and, we hope, the post GATT modifications of the CAP). It will undoubtedly be difficult for the United Kingdom. On one issue—the UK abatement—we stand alone, with eleven Member States against us, and the Commission unsympathetic. On another—the level of Community Own Resources and spending—we shall almost certainly find ourselves at one end of the political spectrum.
- 4. We must and shall resist any degradation in the abatement; and I hope that we can expose the weakness of the case for higher Community spending and revenue: some of our supporters will not look kindly on proposals to increase the burden on UK taxpayers of Community membership when there are so many other claims on the Exchequer. But the negotiation will be difficult for us; its



difficulty will be increased by our holding the chair in the second half of 1992.

- 5. The conclusion I draw from this is that we should indeed press for early progress in enlargement negotiations. But we should do all we can to break the linkage in the Maastricht conclusions.
- 6. I am copying this letter to other members of the Cabinet, and to the Attorney General, the Chief Whip, the Minister for the Arts and to Sir Robin Butler.

M.

[N.L.]

6 February 1992