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Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

18 September, 1979

Dear Peter

There is one aspect of our relations with Europe on which I think we can and ought to make rapid progress. This is the possibility of some sort of official publication setting out the background to the British case for more equitable treatment in respect of its net contribution to the EEC Budget.

The recent Reference Paper on Budgetary Questions will be very helpful as the facts in it emerge. I understand that there is also a possibility that it will be published in full for the European Parliament. But it still does not constitute a statement of the arguments and figures which support our case in the way in which we would want them to be understood in Europe. And it is certainly not in either language or numbers which could be readily comprehended in the UK.

The Treasury prepared a paper in July which gives an indication of the sort of document which we might publish. It has not been revised to take account of the figures in the Commission's Reference Paper which arrived in September. Nor does it reflect recent discussions in Europe. But it should suffice to show the sort of publication which might be helpful.

If any such publication is to play a part in the general presentation of our case, we need to move pretty quickly because it is clearly more relevant to the early rather than the later stages of the discussions on which we have embarked. I therefore suggest that officials in EQR should consider the Treasury draft and bring it to a suitable state where we could publish it if we agreed that it was worthwhile.

I have said nothing about the form of publication, because I do not think we have to take a definite decision

The Rt.Hon. The Lord Carrington, KCMG., MC

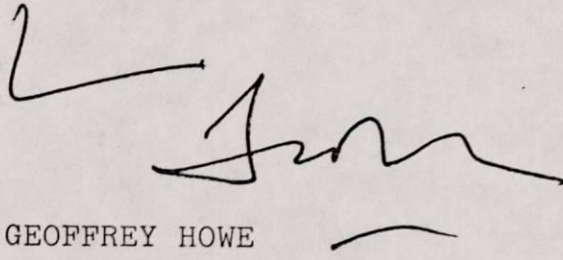
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on that now. But I am inclined to think that something fairly low key is required - not a White or Green Paper - but perhaps a special Treasury publication.

I should also say that I am not sure whether the paper contains enough material on the resource costs of the Common Agricultural Policy. It would be difficult to expand the Treasury paper to include more without making it imbalanced. But I should like to have a word with Peter Walker before making any suggestions about whether anything more could be done.

I am copying this letter to the Prime Minister, the members of OD(E) and Sir John Hunt.


GEOFFREY HOWE



19 SEP 1979