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CONFIDENTIAL

1.



Foreign and Commonwealth Office

London SW1A 2AH

Dear Michael

4 June 1980

EC Budget Settlement: Messages from the Prime Minister

The Prime Minister may like to send messages on the lines of the attached drafts to the European leaders whose agreement was crucial for the budget settlement. It would be appropriate to send messages to Cossiga, the role of the Presidency having been genuinely impressive; to Mr Jenkins for the Commission as a whole; and to Schmidt and Giscard, since both Germany and France have agreed to make a large new financial contribution (provisionally about 466 mEUA and 351 mEUA respectively in the first year).

Although one could argue that we ourselves are still paying too much, the political fact of the matter is that both President Giscard and Chancellor Schmidt have exposed themselves to very real domestic criticism by coming as far as they have to meet us. We shall need the continued co-operation of the French and Germans in the determined efforts we plan to make in following up the commitment to restructure the Community budget. A message would clearly be appreciated in Paris and Bonn.

*Handwritten initials/signature*

(G G H Walden)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street  
LONDON

Prime Minister:

Are you ready to send these messages?

*Handwritten initials*

*Handwritten notes:*  
1 don't think it  
was to simple on the  
Middle East in my message.  
It is really a message to Giscard.

CONFIDENTIAL

*Handwritten initials*



File No.....

OUTWARD

Security Classification  
CONFIDENTIAL

Department ECD(I)

TELEGRAM

Precedence

Drafted by  
(Block Capitals) W. MARSDEN

Tel. Extn.....

DESKBY .....Z

FOR  
COMMS. DEPT.  
USE

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PREAMBLE

(Time of Origin) ..... Z (G.M.T.) (Restrictive Prefix).....

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(Codeword) ..... (Deskby).....Z

TO IMMEDIATE BONN Tel. No. ....of .....  
(precedence) (post)

AND TO (precedence/post) .....

AND SAVING TO .....

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tribution:-

[TEXT]

DRAFT MESSAGE FROM THE PRIME MINISTER TO SCHMIDT

Please convey the following message to the  
Federal Chancellor Schmidt from the Prime Minister.

Begins:

The decision of all Member States to confirm the  
agreement reached at Brussels on the budget and  
related issues, is most welcome. The important role  
of the German Government in this is well understood  
and appreciated in Britain.

With this agreement behind us, I believe that the  
Community is well-placed to make progress both with  
its internal development and in dealing in a  
coherent way with world problems.

I look forward to our discussions in Venice. The  
Middle East will clearly need careful attention as  
will preparation for the Economic Summit. I hope  
that we will be able to have an informal and forward

/looking

opies to:-



looking discussion on these and other  
issues of common concern.''  
Ends.

NOTHING TO BE WRITTEN IN THIS MARGIN



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Privacy marking) .....  
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TO IMMEDIATE PARIS Tel. No. .... of .....  
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Distribution:-

[TEXT]  
DRAFT MESSAGE FROM THE PRIME MINISTER TO GISCARD

1. Please convey the following message to President Giscard from the Prime Minister.

Begins:

"The decision of all Member States to confirm the agreement reached at Brussels on the budget and related issues is most welcome. The important role

of the French Government in this is well understood and appreciated in Britain.

With this agreement behind us, I believe that the Community is well-placed to make progress both with its internal development and in dealing in a coherent way with world problems. I look forward to our discussions in Venice. The Middle East will clearly need careful attention as will preparation for the Economic Summit. I hope that we will be able to have an informal and forward-looking discussion on those and other issues of common concern.

It is a source of great encouragement to us that the /Community



Community has demonstrated once again  
that it is capable of overcoming ~~even the most~~ *the most*  
complex problems.''

Ends.

NOTHING TO BE WRITTEN IN THIS MARGIN



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Department ECD(I)

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PREAMBLE

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TO IMMEDIATE ROME Tel. No. .... of .....  
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Distribution:—

[TEXT]

MESSAGE FROM THE PRIME MINISTER TO SIGNOR COSSIGA

1. Please convey the following message to Signor Cossiga from the Prime Minister.

Begins:

!! The decision of all Member States to confirm the agreements reached at Brussels on the budget and related issues is most welcome.

~~As you may know from our public statements here and in Brussels,~~ The invaluable leadership given by the Italian Presidency throughout the negotiations is deeply appreciated in Britain as elsewhere in the Community. *Should like to see efforts of you and your colleagues.*

With this agreement behind us I believe that the Community is well-placed to make progress both with its internal development and in dealing in a coherent way with world problems. I look forward to our discussion in Venice. The Middle East /will

Copies to:—



will clearly need careful attention as  
will preparation for the Economic Summit. I  
hope that we will be able to have informal  
and forward-looking discussion on these  
and other issues of common interest.''

Ends

NOTHING TO BE WRITTEN IN THIS MARGIN



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PREAMBLE

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Distribution:-

[TEXT]

MESSAGE FROM THE PRIME MINISTER TO MR R JENKINS

1. Please convey the following message <sup>to Mr Jenkins</sup> ~~with out delay~~.

Begins:

'The decision of all Member States to confirm the agreements reached at Brussels on the budget and related issues is most welcome.

With this agreement behind us I believe that the Community is well-placed to make progress both with its internal development and in dealing in a coherent way with world problems. I look forward to our discussions in Venice.

It is a source of great encouragement to us that the Community has demonstrated yet again that it is capable of overcoming even the most complex problems. As always the role of the Commission has been crucial.'

Ends

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