



10 DOWNING STREET

From the Private Secretary

MR. WILLIAMSON
CABINET OFFICE

European Council: Paper for President Mitterrand

Thank you for your minute of 6 March.

The Prime Minister has considered the paper which you annexed. She is, however, concerned that if we appear to present the French with a choice between Formula A (net contributions) and Formula B (VAT share-expenditure share gap) they will pocket the latter as a concession. The Prime Minister has not said that she will never be willing to move down this route but she is not convinced that it is right to open up that possibility with the French now. She wishes to discuss this matter further at the Ministerial meeting already arranged for 4.45 p.m. tomorrow and take a final decision on the message in the light of that discussion.

I am copying this minute to Mr. Bone (Foreign and Commonwealth Office), Mr. Kerr (H.M. Treasury) and Mr. Llewelyn (Ministry of Agriculture, Fisheries and Food).

7 March, 1984

