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OFFICE OF THE UNITED KINGDOM
PERMANENT REPRESENTATIVE
TO THE EUROPEAN COMMUNITIES
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25 February 1974

J.O. Wright, Esq., C.M.G., D.S.C.,
Foreign and Commonwealth Office,
LONDON, S.W.1.

Dear Sir,

Renegotiation

The Irish Permanent Representative gave me the following interesting snippet of information today.

2. Dillon was present, in the absence of his Finance Minister, at the Ministerial dinner given by Helmut Schmidt at the end of the Council of Ministers (Finance) on 18 February. This was essentially a "Ministers only" meal. Dillon said that during dinner there was some discussion of the possible outcome of the British election. During this Helmut Schmidt volunteered that, in his view, the terms of entry negotiated by the Conservative Government insofar as Britain's budgetary contribution was concerned were unfair to Britain. He at least would be willing to contemplate some changes designed to make the burden less unbearable for Britain.

3. It strikes me that this is interesting both in regard to Schmidt's view of one possible outcome of our election; and because it suggests that we have made some impact on him by drawing to his attention the facts about our present and likely future contribution to the Community budget.

4. The Paymaster-General, who was present at this dinner, did not give me any account of it afterwards. I do not know, therefore, whether he heard the remark by Schmidt reported to me by Dillon. But I thought I should let you know of this, not least because it is relevant irrespective of the outcome of the general election.

Yours ever,
Michael
(Michael Palliser)

Copies to:
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Sir Nicholas Henderson, K.C.M.G. (Bonn)
D.J. Mitchell, Esq., C.B., C.V.O. (H.M. Treasury)

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