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10 DOWNING STREET

I attach for information and record purposes copies of the transcripts of the Prime Minister's press conference and subsequent television and radio interviews following the conclusion of the meeting of the European Council in Stuttgart on Sunday, 19 June 1983.

Signed

B INGHAM
CHIEF PRESS SECRETARY

20 June 1983

EXTRACT FROM STUTTGART PRESS CONFERENCE

MRS THATCHER

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I was faced with two paragraphs headed 'own resources and particular problems of certain member states'. The original third and fourth paragraph of that section were couched in these terms. 'The end result of the negotiation will be a decision on the extent and timing of an increase in the Community's own resources'. That was one that I was faced with. The next one - 'any increase of the own resources will take the form of a decision on a new ceiling to be ratified by the Parliament of the member states', it went on. Now you see there were two things, a decision on an increase in the Community own resources and then a particular method of increasing which could only relate to the VAT ceiling. ^{both} ~~some~~ of these paragraphs are gone - kaput'. The paragraph that is in now is as you will see - 'on the basis of the conclusions reached on development of policies, improving budgetary discipline, and examination of the financial system, the extent and timing of the Community's requirements in terms of own resources will be determined'. I gave it to you at length so you could see the kind of hard pounding it's been.

EUROPEAN COUNCIL MEETING, STUTTGART, 17-19 JUNE 1983

INTERVIEW BETWEEN THE PRIME MINISTER, THE RT. HON.
MARGARET THATCHER MP AND MICHAEL BRUNSON OF ITN
HELD ON SUNDAY, 19 JUNE 1983.

PRESS OFFICE

10, DOWNING STREET
LONDON SW1

MICHAEL BRUNSON: PRIME MINISTER, AT THE END OF THE LAST SUMMIT IN BRUSSELS YOU SAID THAT IF NECESSARY YOU WOULD COME HERE AND BANG THE TABLE TO GET WHAT YOU WANT, HOW HARD DID YOU HAVE TO HIT IT?

MRS. THATCHER: WELL, WE SPOKE VERY VERY FORCEFULLY INDEED, WE DID VERY VERY TOUGH NEGOTIATING, INDEED SOME OF THE TOUGHEST I'VE EVER DONE.

M. BRUNSON: ARE YOU SATISFIED WITH THE RESULT?

MRS. THATCHER: THE RESULT EXCEEDS ANYTHING I HAD EXPECTED TO ACHIEVE HERE AT STUTTGART, FIRST WHEN WE CAME HERE NO-ONE WAS PREPARED TO PUT ANYTHING ON THE TABLE AT ALL AND WE SENT THE FOREIGN MINISTERS OUT OF THE MEETING TO TRY TO AGREE WHAT WOULD BE AN ACCEPTABLE RESULT FOR BRITAIN: THEY CAME BACK UNABLE TO AGREE EVEN TO OFFER A SINGLE POUND AND SO WE HAD TO START RIGHT FROM NOTHING. THEY OFFERED SOME £200 MILLION, THAT WAS RIDICULOUS, I'M TALKING IN TERMS OF EUROPEAN ECU. WE GOT UP TO £400 MILLION AND WE GOT STUCK THERE, ABSOLUTELY STUCK AND SOMEONE SUGGESTED WE PUT IN 400 - ' - AS A PROVISIONAL FIGURE AND I KNEW THAT IF WE AGREED A PROVISIONAL, THEY'D SAY, OH ALL RIGHT, THAT'S SETTLED AND I SAID THAT IF WE CAN AGREE NEXT MONTH - AT THE END OF THIS YEAR WE CAN AGREE NOW. AND WE HAD TO FIGHT IT ALL THE WAY UP. IT WAS HARD GOING.

M. BRUNSON: WHAT DO YOU DO IN A SITUATION LIKE THAT THOUGH WHEN YOU'RE OFFERED SOMETHING AND YOU'RE PRESENTED WITH THAT SORT OF FIGURE. STARTING WITH NOTHING AND THEN IT GRADUALLY CREEPS UP, I MEAN HOW DO YOU ACTUALLY BEHAVE....?

MRS. THATCHER: WELL, YOU JUST ARGUE IN FACT YOUR CASE BECAUSE DON'T FORGET LABOUR LEFT ME WITH MAKING VERY HIGH CONTRIBUTIONS TO THE COMMUNITY WITHOUT ANY ARRANGEMENT OF ANY KIND FOR A REBATE, AND THEREFORE I HAD TO FIGHT RIGHT AT THE OUTSET, FROM YEAR 1980 AND IN THE YEAR 1980 THE REST OF THE COMMUNITY ACCEPTED THAT WHAT WE HAD TO FACE WAS UNACCEPTABLE AND THEREFORE WE MUST HAVE REBATES AND THEY SAID FOR THREE YEARS. IN 1980 THEY AGREED THAT THOSE REBATES SHOULD BE OF THE ORDER OF TWO-THIRDS OF OUR CONTRIBUTIONS WOULD BE REBATED, TWO-THIRDS OF OUR NET CONTRIBUTIONS WOULD BE REBATED. THE ACTUAL FIGURE WAS 65.9 PER CENT. TAKING THE AVERAGE OF OVER FOUR YEARS WHAT WE'VE GOT IS 65.4 PER CENT. NOT BAD! NOW YOU FIGHT IT OUT ON THE GROUNDS OF REASON AND THEY FIGHT IT ON THE GROUNDS OF WHAT THEY CAN AFFORD. I MUST SAY CHANCELLOR KOHL OF GERMANY AND MR. LUGUS+ OF THE NETHERLANDS, WERE VERY HELPFUL IN SAYING THAT WE HAD A FAIR CASE AND IT MUST HAVE A FAIR RESULT. VERY HELPFUL INDEED.

M. BRUNSON: YOU MENTIONED THERE THE SORT OF THING THAT THE LABOUR GOVERNMENT HAS DONE AND YET LABOUR POLITICIANS TODAY ARE SAYING THAT WHAT HAS BEEN AGREED HERE IS A HUMILIATION FOR BRITAIN.

MRS. THATCHER: WELL THAT'S RIDICULOUS. THEY DIDN'T GET A PENNY PIECE, THEY DIDN'T ARRANGE FOR US TO HAVE A PENNY PIECE BACK, THEY JUST ... THE ARRANGEMENTS THEY LEFT AFTER THEIR RENEGOTIATIONS .. LEFT US WITH THESE ENORMOUS NET CONTRIBUTIONS WITH NO REDRESS AT ALL.

M. BRUNSON: BUT PRIME MINISTER, I KNOW THAT YOU SAY THAT ON THE AVERAGE WE'VE COME OUT AT ABOUT TWO-THIRDS, ISN'T THOUGH THE FACT THAT YOU HAVE ACHIEVED HERE FAR LESS THAN YOU WANTED WHEN YOU CAME HERE?

MRS. THATCHER: NO, I HAVE ALWAYS BASED OUR CASE ON BEING FAIR AND EQUITABLE. BRITAIN IS A FAIR AND EQUITABLE COUNTRY AND WE EXPECT OTHER PEOPLE TO ACT IN A FAIR WAY TOWARDS US. NOW IF I TAKE THAT VIEW ABOUT WHAT I EXPECT BACK THEN I HAVE TO TAKE A FAIR VIEW ABOUT WHAT WE'VE HAD BACK UNDER THE AGREEMENT WHICH I NEGOTIATED. YOU CAN'T DEMAND FAIRNESS WITHOUT BEING FAIR. WE'D DEMAND FAIRNESS - WE ARE FAIR. WE HAVE GOT A TOTAL AMOUNT WHICH OVER FOUR YEARS AMOUNTS UP TO £2,500 MILLION, THAT IS FAIR.

M. BRUNSON: BUT IF YOU TAKE JUST THIS YEAR IS IT NOT ONLY 40%?

MRS. THATCHER: IF YOU TAKE JUST THIS YEAR IT IS 40%, BUT THEN YOU GO AND LOOK AT OTHER YEARS AND IT IS OVER 90%. NOW I CAN'T JUST IGNORE THE 90%, IF I'M SAYING YOU'VE GOT TO BE FAIR TO ME, THEY SAY BUT YOU'VE GOT TO BE FAIR TO US. BRITAIN, AS I'M CONSTANTLY TELLING THEM, IS A FAIR COUNTRY. WE EXPECT TO RECEIVE FAIRNESS, WE EXPECT TO GET IT OUT. IF WE ASK FOR THE ONE WE MUST GIVE THE OTHER.

M. BRUNSON: BUT ISN'T THERE A DANGER THAT THEY WILL COME BACK NEXT YEAR AND SAY - AH, MRS. THATCHER, YOU'VE HAD A VERY GOOD RUN IN THE PAST, I'M SORRY, YOU'RE NOT HAVING ANY MORE.

MRS. THATCHER: ? IT WILL BE HARD POUNDING, I HOPE THAT BY THE TIME WE HAVE NEXT YEAR WE WILL HAVE GOT A MUCH FAIRER METHOD OF CONTRIBUTING BECAUSE THAT'S THE AIM OF THE LONG TERM BUDGET THAT WE'RE TRYING TO ARRANGE.

M. BRUNSON: BUT SUPPOSE THESE NEGOTIATIONS WHICH ARE NOW GOING TO TAKE PLACE RUN IF I MAY SAY SO TRUE TO COMMON MARKET FORM AND YOU HAVEN'T GOT SOMETHING BY THE END OF THE YEAR, WHAT HAPPENS THEN WE'RE OUT IN THE COLD AGAIN IN '84 AREN'T WE?

MRS. THATCHER: YOU DON'T HAVE TO SAY IT LIKE THAT YOU'RE QUITE RIGHT, IT MAY HAPPEN, MAY HAPPEN, THEY'VE GOT AN EXTRA SPUR FOR IT NOT TO BECAUSE THEY'RE RUNNING OUT OF CASH AND THERE'S NO SPUR GREATER THAN THAT TO COME TO A NEW ARRANGEMENT. AS THINGS ARE AT THE MOMENT THEIR EXPENDITURE WOULD EXCEED THEIR INCOME, THEY CAN'T HAVE THAT SO THEY'VE GOT TO LOOK AT THEIR EXPENDITURES THEY'VE ALSO THEN GOT TO HAVE A LOOK IF THEY WANT ANY MORE AT HOW THEY DO ALL OF THEIR PROMISES RIGHT ACROSS THE BOARD BECAUSE IF THEY ARE ECONOMICAL THEY MAY NOT NEED ANY MORE RESOURCES, SO THEY'VE GOT A SPUR THAT THEY HAVEN'T HAD BEFORE. THEY MIGHT EVEN THEN NOT DO IT, IF NOT WE HAVE TO GO RIGHT BACK TO THE BEGINNING AGAIN AND WE HAVE TO FIGHT AGAIN, YES, AND IT WILL BE DIFFICULT.

M. BRUNSON: DESPITE ALL THAT YOU'VE SAID I'M SURE THERE ARE GOING TO BE SOME PEOPLE WHO WILL STILL SAY IT WASN'T A VERY GOOD WEEKEND HERE.

MRS. THATCHER: WELL THEY'RE THE PEOPLE WHO USUALLY DID NOT ARRANGE FOR BRITAIN TO GET A PENNY PIECE BACK IN REBATE, SO YOU CAN SAY TO THEM - SOUR GRAPES!

M. BRUNSON: WHAT SORT OF A WEEKEND DO YOU THINK IT WAS?

MRS. THATCHER: EXCELLENT! I GOT FAR MORE THAN I EXPECTED BOTH IN THE TAKING THE WHOLE PATTERN, THE WHOLE PATTERN TOGETHER IT'S BEEN A VERY GOOD WEEKEND FOR BRITAIN.

M. BRUNSON: THANK YOU VERY MUCH INDEED.

EUROPEAN COUNCIL, STUTTGART, 17-19 JUNE 1983

INTERVIEW BETWEEN THE PRIME MINISTER, THE RT. HON.
MARGARET THATCHER MP AND NICK PETERS OF IRELAND ON
SUNDAY, 19 JUNE 1983.

PRESS OFFICE
10, DOWNING STREET,
LONDON SW1

NIC PETERS/ MRS-THATCHER, THE MONEY THAT YOU HAVE ACHIEVED FOR THE REBATE FOR 1983 IS CONSIDERABLY LESS, I THINK, THAN YOU WANTED AND THAT BRITAIN EXPECTED, IT ADDS UP TO A FAIRLY LIMITED ACHIEVEMENT DOESN'T IT?

MRS. THATCHER: I DID NOT EXPECT TO BE OFFERED ANYTHING HERE, ACCORDING TO HOW THE REPORTS WERE GOING. SOME OTHER HEADS OF GOVERNMENT CAME HERE DETERMINED NOT TO OFFER A PENNY PIECE WHICH WAS GOING TO PUT ME IN ACUTE DIFFICULTY BECAUSE THEN I'D HAVE HAD TO HAVE GONE TO PARLIAMENT AND SEEN WHAT MEASURES WE HAD TO TAKE. NEVERTHELESS CHANCELLOR KOHL WAS DETERMINED TO GET A SETTLEMENT, BOTH OF THE SHORT TERM AND GUIDELINES FOR THE LONG TERM FINANCING OF THE COMMUNITY. HE WAS A VERY VIGOROUS AND EFFECTIVE CHAIRMAN AND I WAS FACED AT FIRST WITH SOMETHING LIKE AN OFFER OF TWO HUNDRED MILLION - AND I SPEAK IN TERMS OF EUROPEAN CURRENCY - ECU - WHICH WAS WHOLLY UNACCEPTABLE, FOUR HUNDRED MILLION - WHOLLY UNACCEPTABLE, FIVE HUNDRED MILLION - WHOLLY UNACCEPTABLE. THEY THEN SAID SUPPOSING WE PUT THAT IN A PROVISIONAL AGREEMENT AND THEN GO ON NEGOTIATING, I SAID NO, IF WE CAN NEGOTIATE NEXT WEEK, NEXT MONTH, WE CAN NEGOTIATE NOW, SO IN THE END WE GOT SEVEN HUNDRED AND FIFTY MILLION.

N. PETERS: THAT'S ABOUT FOUR HUNDRED AND FIFTY MILLION POUNDS...

MRS. THATCHER: ... MILLION POUNDS. YES, I AM PLEASED WITH THAT BECAUSE IF YOU AVERAGE IT UP OVER FOUR YEARS IN WHICH I'VE BEEN NEGOTIATING, WHAT WE'VE GOT - WE'VE GOT BACK FOR BRITAIN TWO THOUSAND FIVE HUNDRED MILLION POUNDS AND IT'S ALMOST EXACTLY THE SAME PERCENTAGE OF OUR CONTRIBUTIONS BACK THAT I WAS PROMISED AT THE OUTSET: I WAS PROMISED SIXTY FIVE POINT NINE PER CENT, THIS AVERAGES OUT AT SIXTY FIVE POINT FOUR PER CENT, SO IT'S VERY GOOD.

N. PETERS: GIVEN THE FACT THAT THESE NEGOTIATIONS GET MORE DIFFICULT YEAR BY YEAR, DOES IT NOT MEAN THAT 1984 LOOKS LIKE BEING EVEN TOUGHER AND THAT WE MIGHT NOT EVEN EXPECT A REBATE FOR NEXT YEAR?

MRS. THATCHER: WELL NOW, THE OTHER HALF OF THE STORY IS WE HAVE AGREED GUIDELINES FOR SETTING UP A NEW METHOD OF FINANCING THE COMMUNITY. AS YOU KNOW, THE PRESENT METHOD IS THOROUGHLY INEVITABLE AND UNFAIR, THAT'S WHY WE HAVE TO COME EACH YEAR AND SAY, LOOK, IT WON'T DO, YOU CAN'T LEAVE IT LIKE THIS, WE HAVE TO HAVE REBATES. NOW THE COMING ... THEY'RE RUNNING OUT OF MONEY, THEIR EXPENDITURE IS GOING TO EXCEED THEIR INCOME IF THEY CARRY ON LIKE THIS, SO THEY'VE GOT TO LOOK AT NEW METHODS OF FINANCING ALTOGETHER AND IN LOOKING AT NEW METHODS OF FINANCING THEY HAVE TO LOOK AT HOW THEY'RE SPENDING EXISTING MONEY AND HOW THE BURDEN IS FORMED BETWEEN THOSE WHO CONTRIBUTE. NOW WE'VE GOT AGREEMENT ON TO HOW WE SHALL LOOK AT THAT AND WE'VE GOT AGREEMENT WITHOUT MY HAVING TO AGREE WITH ANY INCREASE IN WHAT ARE CALLED OWN RESOURCES WHICH IS ANY INCREASE IN CONTRIBUTIONS TO THE EUROPEAN ECONOMIC COMMUNITY. SO I HOPE THAT THAT NEW ARRANGEMENT WILL COME IN IN TIME FOR 1984. IF NOT, WE SHALL HAVE TO SAY, ALL RIGHT, YOU'VE GOT ANOTHER UNACCEPTABLE SITUATION AND WE SHALL HAVE TO START ALL OVER AGAIN.

N. PETERS: BUT THIS AGREEMENT IS ONLY A FRAMEWORK FOR A WORKING PROGRAMME LEADING UP TO THE ATHENS SUMMIT IN DECEMBER, THE ISSUES ARE STILL AS DIVISIVE AS EVER ON SPENDING ON AGRICULTURE, ON THIS QUESTION OF INCREASING THE COMMUNITY'S AVAILABLE INCOME, DO YOU NOT THINK THAT IT'S GOING TO BE A VERY ROUGH SIX MONTHS AND THAT WE MIGHT NOT HAVE AN AGREEMENT BY DECEMBER, IN WHICH CASE WE HAVE GOT TO GET A REBATE FOR '84?

(2)

MRS. THATCHER: IT IS POSSIBLE THAT WE MIGHT NOT GET AN AGREEMENT BY DECEMBER. IN WHICH CASE WE HAVE, AS I INDICATED, TO GO BACK AND HAVE ANOTHER AD HOC ARRANGEMENT FOR THE NEXT YEAR AND THAT TOO WOULD BE HARD POUNDING. BUT THERE IS A PARTICULAR SPUR TO THEM TO GET A NEW LONG TERM ARRANGEMENT, IT'S QUITE SIMPLY THIS: THEIR EXPENDITURE IS GOING TO EXCEED THEIR INCOME IF THEY GO ON LIKE THIS AND THEREFORE FIRST - FOR THE FIRST TIME THEY HAVE TO AGREE TO LIMIT THE INCREASE IN AGRICULTURAL EXPENSE, TO LOOK AT LIMITING THE INCREASE IN AGRICULTURAL EXPENDITURES AND LOOK AT THE SOUND, FINANCIAL CONTROL OF ALL THEIR EXPENDITURE POLICIES. YOU WOULD SAY THEY'VE LOOKED AND AGREED BEFORE .. 75, YOU SEE, THEY'RE GOING TO RUN OUT OF CASH NOW, THAT'S THE DIFFERENCE SO THEY'VE GOT TO LOOK AT IT.

N. PETERS: DO YOU THINK THE COMMUNITY CAME AS CLOSE THIS WEEKEND AS IT HAS EVER COME TO A REAL SPLIT, A REALLY DIVISIVE SPLIT, BETWEEN THE MEMBER STATES WHICH COULD HAVE SERIOUSLY DAMAGED THE COMMUNITY'S FUTURE?

MRS. THATCHER: WELL... YOU GET PEOPLE GETTING OBVIOUSLY VERY FORCEFUL IN WHAT THEY SAY, I MEAN WE WERE AFTER ALL OURSELVES ... I WAS PRETTY FORCEFUL AT ONE STAGE, I SAID WHAT THEY WERE ASKING WAS ABSOLUTELY SHAMEFUL, BUT ALL RIGHT, THESE WORDS WERE EXCHANGED, I DON'T THINK ANY OF US THINK OF BREAKING UP THE COMMUNITY, GOOD HEAVENS NO, IT'S TOO VALUABLE TO ALL OF US, IT'S VERY VERY IMPORTANT FOR THE FUTURE OF JOBS IN BRITAIN.

N. PETERS- : BUT PEOPLE ARE STILL ARGUING LIMITED NATIONAL INTERESTS THESE DAYS, THERE DOESN'T SEEM TO BE A VERY STRONG EUROPEAN DIMENSION TO THE DISCUSSIONS.

MRS. THATCHER: YES, IT'S LIKE A FAMILY AND YOU ARE ONE FAMILY, AND MY GOODNESS ME, YOU HAVE PRETTY FIERCE ARGUMENTS BUT YOU KNOW YOU'RE ONE FAMILY - YES, ALL RIGHT, IT'S ALL RIGHT TO HAVE FIERCE ARGUMENTS SO WE DO HAVE FIERCE ARGUMENTS IN THE COMMUNITY, YES, WE DO FIGHT OUR CORNER. I GIEEEEEEE I FIGHT BRITAIN'S CORNER AND I FIGHT IT HARD AND WE THOUGHT IT WAS A VERY GOOD WEEKEND FOR BRITAIN IN STUTTGART THIS WEEKEND. I GOT REALLY SUS EEE SUMS BEYOND MY WILDEST DREAMS, TAKING INTO ACCOUNT BOTH THE SHORT TERM SETTLEMENT AND TAKING INTO ACCOUNT WHAT WE DO IN THE LONG TERM AND TAKING INTO ACCOUNT WHAT WE'VE HAD OVER THE PAST THREE YEARS, SO IT WAS A VERY VERY GOOD WEEKEND FOR BRITAIN BUT WE GOT IT BY TOUGH ARGUMENT AND TOUGH NEGOTIATIONS.

N. PETERS: THANK YOU PRIME MINISTER.

EUROPEAN COUNCIL MEETING, STUTTGART, 17-19 JUNE 1983

INTERVIEW BETWEEN THE PRIME MINISTER, THE RT. HON.
MARGARET THATCHER MP AND NICHOLAS WITCHELL OF BBC
TELEVISION HELD ON SUNDAY, 19 JUNE 1983.

PRESS OFFICE

10, DOWNING STREET
LONDON SW1

NICHOLAS WITCHELL: MRS. THATCHER, BEARING IN MIND THE RESULTS THAT YOU'VE BROUGHT AWAY FROM THIS SUMMIT, WOULD YOU DECLARE THIS A WIN FOR BRITAIN OR MERELY A DRAW?

MRS. THATCHER: OH I THINK IT WAS A MAJOR ACHIEVEMENT FOR BRITAIN, MAJOR ON TWO FRONTS: FIRST BECAUSE THE AMOUNT WHICH WE GOT FOR THIS YEAR, WHEN AVERAGED UP WITH THE AMOUNT WE'D HAD FOR THE PREVIOUS THREE, COINCIDES ALMOST EXACTLY WITH THE PROMISE I HAD AT THE BEGINNING OF 1980. THAT'S NOT BAD FOR FOUR YEARS. IN CASH IT AMOUNTS TO TWO THOUSAND FIVE HUNDRED MILLION ALL TOLD, THAT'S A VERY GOOD REBATE FOR BRITAIN. EVEN MORE IMPORTANT, FOR THE FIRST TIME WE'VE WORKED ON A LONG TERM SOLUTION FOR FINANCING THE COMMUNITY. AT THE MOMENT IT'S THOROUGHLY INEQUITABLE, IT'S EXTRAVAGANT AS WELL. WE'VE MADE ARRANGEMENTS TO TRY TO DEAL WITH BOTH AND AGAIN I HAD TO FIGHT THAT ALL THE WAY BUT WHAT WE'VE GOT IS GOOD.

N. WITCHELL: BUT ISN'T THE REBATE THAT YOU'RE TAKING AWAY FROM STUTTGART REALLY THE MINIMUM FIGURE THAT YOU COULD HAVE ACCEPTED AND WHICH YOU COULD DEFEND BACK AT HOME?

MRS. THATCHER: IT IS A FIGURE WHICH I CAN DEFEND BACK AT HOME BECAUSE, YOU KNOW, I'VE ALWAYS TAKEN THE VIEW THAT WE BRITISH ARE FAIR. FAIRNESS IS PART OF OUR CHARACTER, WE'RE FAIR AND EQUITABLE TO OTHERS AND WE EXPECT THEM TO BE FAIR AND EQUITABLE TO US. IF I'M ASKING FOR A REASONABLE DEAL THIS YEAR THEN I MUST TAKE INTO ACCOUNT THE FACT THAT ONE YEAR, INSTEAD OF GETTING ABOUT SIXTY FIVE PER CENT BACK, WE GOT NINETY PER CENT BACK. IF YOU'RE ASKING FOR FAIRNESS YOU HAVE TO BE FAIR BOTH WAYS AND WE ARE AND THEREFORE AGAINST THAT BACKGROUND WE GOT A GOOD DEAL.

N. WITCHELL: SO YOU'RE SATISFIED THAT AS YOU SAY FORTY PER CENT IS A GOOD DEAL HERE?

MRS. THATCHER: I AM INDEED.

N. WITCHELL: PEOPLE CLOSE TO YOU WERE SAYING THAT YOU CAME HERE FEELING THAT YOU HAD A TREMENDOUS MANDATE FROM THE BRITISH ELECTORATE TO SORT THE WHOLE MATTER OUT. NOW PARTICULARLY INsofar AS THE LONG TERM PROBLEMS OF BUDGETARY DISCIPLINE ARE CONCERNED, DO YOU FEEL THAT YOU ARE DOING THAT?

MRS. THATCHER: I'M VERY PLEASED WITH WHAT WE'VE GOT IN THAT DECLARATION ABOUT THE LONG TERM BUDGET, VERY PLEASED INDEED. FIRST BECAUSE THE COMMUNITY IS RUNNING OUT OF MONEY AND THEREFORE IT WANTS MORE. NOW OBVIOUSLY THEY COME TO PEOPLE LIKE GERMANY AND OURSELVES FOR MORE AND I AM SAYING THAT YOU ALREADY SPEND TOO MUCH, YOU'VE GOT TO LOOK AT YOUR EXPENDITURE AND YOU'VE GOT TO PUT A LIMIT ON IT, BUT THEN I SAY DON'T ASK ME FOR MORE MONEY FOR WE HAVE SUCH AN UNEVEN SHARING OF THE BURDEN. BEFORE YOU DO THAT WE'VE GOT TO HAVE AN ARRANGEMENT BOTH TO BE MUCH MORE ECONOMICAL AND HAVE A MUCH FAIRER SHARE OF THE BURDEN, SO THE SITUATION DOESN'T ARISE IN WHICH BRITAIN HAS TO OVER PAY TO THE COMMUNITY COMPARED WITH OTHERS.

N. WITCHELL: WOULD YOU ACCEPT THAT PEOPLE TEND TO BE RATHER SUSPICIOUS OF THESE COMMISSIONS AND COMMITTEES? CAN YOU BE ABSOLUTELY SURE THAT THIS ISN'T A WAY OF RATHER BRUSHING THE WHOLE LONG TERM PROBLEM UNDER THE CARPET?

MRS. THATCHER: NO, BECAUSE THAT'S WHAT THEY'VE TRIED TO DO AND HAVE DONE BEFORE AND THE REASON THEY'VE DONE IT IS BECAUSE ON THE PRESENT ARRANGEMENTS FOR INCOME THEY HAD PLENTY OF INCOME IN RELATION TO THEIR EXPENDITURE. NOW THEY'RE RUNNING OUT OF INCOME THEY EEEEE INCOME, THEIR EXPENDITURE HAS GONE UP FAR TOO FAST, PARTLY BECAUSE OF THE WAY THEY'VE RUN THE COMMON AGRICULTURAL POLICY AND THE WAY IN WHICH THIS YEAR, IN SPITE OF THE FACT THAT WE IN OUR HOME BUDGETS ARE HAVING TO ECONOMISE, EXPENDITURE HAS GONE UP BY ABOUT THIRTY PER CENT AND SO OF COURSE THEY'VE GOT TO LOOK AT IT BUT THE REASON THEY'VE GOT TO IS, AS ANY MAN OR ANY WOMAN AT HOME, IF YOU'RE RUNNING OUT OF INCOME TO MEET YOUR EXPENDITURE, YOU'VE GOT TO FIGHT YOUR EXPENDITURE DOWN. (2)

N. WITCHELL: SO ARE YOU CONFIDENT THAT THIS STUTTGART SUMMIT IS THE LAST OCCASION ON WHICH YOU WILL NEED TO POUND THE TABLE, AS I THINK YOU WERE SAYING?

MRS. THATCHER: I THINK I'LL HAVE TO POUND THE TABLE QUITE OFTEN. FIRST WE'VE GOT TO GET THE LONG TERM ARRANGEMENT FULLY AGREED, WE'VE GOT ALL THE THINGS ON THE TABLE NOW TO DISCUSS AND WE'VE AGREED WHAT CAN AND SHOULD BE DISCUSSED, THAT'S GOT TO BE AGREED. IT WILL BE TOUGH, THE SPUR IS THEY CAN'T WAIT THAT LONG BECAUSE OF THE CASH POSITION. NEVERTHELESS, IT WILL BE DIFFICULT. IT SHOULD BE IN POSITION TO BE THE FORMULA FOR NEXT YEAR. IF IT ISN'T, YOU'RE QUOTE RIGHT, WE HAVE ANOTHER ARRANGEMENT WHERE WE HAVE NO FORMULA AND WE'LL HAVE TO FIGHT ALL THE WAY AND IT WILL BE EXTREMELY DIFFICULT, VERY DIFFICULT INDEED. I DON'T DISGUISE THAT.

N. WITCHELL: ON THIS OCCASION I THINK IT WAS RESIDENT MITTERRAND WHO WAS MOST DETERMINED THAT YOU WOULDN'T HAVE YOUR WAY - HOW DID YOU PERSUADE HIM?

MRS. THATCHER: I HAVE SOME VERY VERY GOOD COLLEAGUES: CHANCELLOR KOHL WAS DETERMINED WE SHOULD HAVE A SETTLEMENT AND HE KNEW THAT I WOULDN'T SETTLE UNLESS IT WAS REASONABLE AND CHANCELLOR KOHL DID A SUPERB JOB FOR BRITAIN AND FOR THE COMMUNITY AND I HAD ONE OR TWO OTHER VERY GOOD FRIENDS AMONG OUR COMMUNITY PARTNERS WHO HELPED ALL THE WAY BECAUSE THEY BELIEVE IN THE SAME THINGS: THEY BELIEVE IN FAIRNESS AND THEY KNEW THAT WE ARE BEING VERY LOYAL MEMBERS OF THE COMMUNITY. SO IN THE END BEING LOYAL AND BEING FAIR PAYS BECAUSE PEOPLE RECOGNISE THAT YOU'VE BEEN VERY HELPFUL.

N. WITCHELL: SO THE SUGGESTION THAT THIS WAS A HUMILIATION -

MRS. THATCHER: OH JUST NONSENSE, THOSE SUGGESTIONS ARE MADE BY PEOPLE WHO NEVER GOT A PENNY PIECE BACK FOR BRITAIN AND LEFT US WITHOUT ANY FORMULA FOR REBATES AT ALL.

N. WITCHELL: THANK YOU VERY MUCH, PRIME MINISTER.

EUROPEAN COUNCIL, STUTTGART, 17-19 JUNE 1983

INTERVIEW BETWEEN THE PRIME MINISTER, THE RT. HON.
MARGARET THATCHER MP AND PAUL REYNOLDS OF BBC RADIO 4
ON SUNDAY, 19 JUNE 1983.

PRESS OFFICE
10, DOWNING STREET
LONDON SW1

PAUL REYNOLDS: PRIME MINISTER, ARE YOU SATISFIED WITH THE REFUND AGREEMENT AND THE SECOND HALF OF THE PACKAGE DEAL ON LONGER TERM FINANCING AT THIS SUMMIT?

MRS. THATCHER: I'M VERY SATISFIED WITH THE WEEKEND'S WORK IN STUTTGART FOR BRITAIN, IT WAS A VERY GOOD WEEKEND FOR BRITAIN IN WHAT WE MANAGED TO PRODUCE, BOTH IN THE ... THIS YEAR'S REFUND, AND IN GUIDELINES FOR THE LONGER TERM FINANCING OF THE COMMUNITY.

P. REYNOLDS: IT HAD BEEN SUGGESTED THAT YOU MIGHT HAVE BEEN ASKING FOR MORE MONEY IN THE WAY OF A REFUND, ARE YOU SATISFIED WITH THE ACTUAL FIGURE THAT YOU'VE GOT?

MRS. THATCHER: THAT ACTUAL FIGURE WHICH I'VE GOT, WHICH WAS GOT ONLY AFTER VERY VERY HARD FIGHTING AND VERY TOUGH NEGOTIATIONS - SOME OF THE TOUGHEST I'VE EVER ENCOUNTERED, THE ACTUAL FIGURE ADDED UP WITH THAT WE'VE RECEIVED IN THE PREVIOUS THREE YEARS, ADDS UP WITH TO WHAT I WAS PROMISED AT THE BEGINNING, APPROXIMATELY A REBATE FOR BRITAIN, TWO-THIRDS OF OUR CONTRIBUTIONS. THE ACTUAL AMOUNT WE STARTED WITH IN 1980 WAS 65.9 PER CENT REFUND OF OUR CONTRIBUTION, THE AVERAGE WE'VE FINISHED UP WITH IS 65.4, IT COULD BE ALTERED A LITTLE BIT BECAUSE YOU DON'T KNOW PRECISELY WHAT THIS YEAR'S BUDGET WILL BE BUT THAT'S WHAT THE FIGURES ARE NOW AND THAT'S PRETTY GOOD. MUCH MORE IMPORTANT IN CASH, IT AMOUNTS IN TOTAL TO £2,500 MILLION AND THAT'S PRETTY GOOD.

P. REYNOLDS: IT HAS BEEN SAID IN LONDON THIS MORNING BY SOME LABOUR SPOKESMEN THAT THIS IS A HUMILIATION FOR YOU. WHAT IS YOUR COMMENT ON THAT?

MRS. THATCHER: WELL, I CAN TAKE LOTS MORE HUMILIATIONS OF £2,500 MILLION.

P. REYNOLDS: DID YOU HAVE TO BANG THE TABLE OR POUND YOUR FOOT?

MRS. THATCHER: THERE WAS SOME FORCEFUL SPEAKING.

P. REYNOLDS: WHAT ABOUT THE ARRANGEMENTS FOR THE LONG-TERM FINANCES? DO YOU THINK THAT YOU ARE EVENTUALLY GOING TO HAVE TO AGREE TO LIFT THE CEILING ON THE AMOUNT OF MONEY THAT GOVERNMENTS PAY TO THE COMMUNITY BUDGET?

MRS. THATCHER: RIGHT AT THE OUTSET OF CONSIDERING THE LONG-TERM NEW ARRANGEMENTS FOR THE BUDGET IT WAS SUGGESTED TO ME THAT IF I WAS TO GET ANY SETTLEMENT THIS YEAR I WOULD HAVE TO AGREE TO AN INCREASE IN THE COMMUNITY'S INCOME. I ABSOLUTELY REFUSED TO AGREE TO THAT BECAUSE I SAID YOU SHOULD NEVER NEVER EVEN BE ASKED TO ACCEPT AN INCREASE IN SOMETHING WHICH IS LONG TERM, IN RETURN FOR SOMETHING WHICH IS JUST TEMPORARY AND IT WAS SHAMEFUL EVEN TO CONSIDER ASKING FOR SUCH A THING. I ASKED WE MUST LOOKEEEEEEEEEEE I SAID WE MUST LOOK AT THE COMMUNITY'S INCOME, AGAINST A BACKGROUND OF TWO THINGS, FIRST HOW IT SPENT ITS MONEY AND WHETHER IT WAS ECONOMICAL IN EXPENDITURE SO WE'VE GOT TO HAVE FIRM BUDGETRY CONTROL: AND SECONDLY, ON HOW THE BURDEN WAS SHARED BECAUSE IT WAS TOTALLY UTTERLY WRONG AND QUITE SHAMEFUL TO ASK A PERSON WHO WAS ALREADY CONTRIBUTING QUITE A LOT TO THE COMMUNITY, TO SAY WE WANT MORE BUT WE'RE NOT GOING TO GET A BETTER ARRANGEMENT FOR THE SHARING OF THE BURDEN AND SO I SAID I WAS PREPARED TO CONSIDER IT BUT WE MUST FIRST BE SATISFIED ON THE OTHER THINGS AND WE'RE NOT PREJUDGING ANYTHING, NO DECISIONS WILL BE MADE UNTIL THE END.

P. REYNOLDS: ARE YOU GOING TO BE BACK NEXT YEAR, ARE WE GOING TO BE ARGUING IN THE FRENCH CAPITAL, PARIS, ABOUT A REBATE?

MRS. THATCHER: OH I EXPECT WE SHALL BE ARGUING, I EXPECT WE SHALL BE ARGUING ABOUT MONEY....

P. REYNOLDS: ABOUT A REBATE?

MRS. THATCHER: I HOPE THAT THE LONG-TERM ARRANGEMENTS WILL BE IN PLACE BY THEN, I HOPE SO, IF THEY'RE NOT WE'RE GOING TO HAVE TO ARGUE BECAUSE I THINK IT'S QUITE WIDELY UNDERSTOOD THAT THE CONTRIBUTION WE MAKE, THE NET CONTRIBUTION WE MAKE IS JUST UNACCEPTABLY LARGE AND WE SHOULD HAVE TO ARGUE AGAIN ABOUT A REBATE. I HOPE IT WILL NOT BE NECESSARY BUT IF SO WE SHALL HAVE TO ARGUE AND THEN IT WOULD BE VERY VERY DIFFICULT BUT WE'VE FACED DIFFICULT SITUATIONS BEFORE.

P. REYNOLDS: PRIME MINISTER THANK YOU.

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EUROPEAN COUNCIL MEETING, STUTTGART, 17-19 JUNE 1983.

TRANSCRIPT OF THE PRESS CONFERENCE GIVEN BY THE
PRIME MINISTER, THE RT. HON. MARGARET THATCHER MP,
FOLLOWING THE CONCLUSION OF THE SUMMIT ON SUNDAY,
19 JUNE 1983.

Press Office,
10, Downing Street,
London SW1

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CHAIRMAN: LADIES AND GENTLEMEN, THE PRIME MINISTER WILL MAKE A SHORT OPENING STATEMENT AND THEN WE'LL TAKE QUESTIONS. PRIME MINISTER.

MRS. MARGARET THATCHER: LADIES AND GENTLEMEN, STUTTGART HAS BEEN A GOOD WEEKEND'S WORK FOR BRITAIN AND FOR THE COMMUNITY. FIRST, THE DEAL WE HAVE ACHIEVED ON OUR REBATE FOR 1983 IS CONSISTENT, ALMOST EXACTLY, WITH THE ORIGINAL TWO-THIRDS REBATE DEAL WE SECURED IN 1980. OVER THE LAST FOUR YEARS OUR TWO-THIRDS AGREEMENT HAS SECURED FOR BRITAIN REFUNDS TOTALLING OVER TWO THOUSAND FIVE HUNDRED MILLION POUNDS AND THAT'S BEEN WON BY HARD, TOUGH NEGOTIATING OF WHICH WE'VE HAD A LOT THIS WEEKEND. AS YOU KNOW, MORE THAN ONE MEMBER STATE CAME HERE DETERMINED AND PUBLICLY COMMITTED TO REFUSING TO NEGOTIATE ANY BRITISH REFUND BUT IT'S BEEN WON FOR BRITAIN BY A DETERMINATION TO SUREEE SECURE JUSTICE FOR OUR COUNTRY, AND EVEN MORE IMPORTANT, FOR THE LONGER TERM, THIS WEEKEND WE'VE ALSO SECURED AGREEMENT TO TACKLE OVER THE SECOND HALF OF THIS YEAR THE REST OF THE PROBLEM, NAMELY, THE COMMUNITY'S METHOD OF LONG TERM FINANCING. WE'VE BEEN WANTING TO DO THIS IN BRITAIN FOR SOME TIME AND THIS IS A MAJOR ACHIEVEMENT. THE DECLARATION ON LONG TERM FINANCING, RESULTING FROM OUR LONG DISCUSSIONS, MAKES IT CLEAR THAT THE SPECIAL EMERGENCY COUNCIL APPOINTED TO DO THE WORK MUST COME UP WITH, FIRST, EFFECTIVE CONTROL OF AGRICULTURE AND OTHER EXPENDITURE, WHAT WE'VE BEEN SEEKING SINCE WE SET OUT ON FIRST TAKING OFFICE IN 1979, TO SECURE A FORM OF THE COMMUNITY'S FINANCES, AND MEASURES WHICH WILL AVOID THE BRITISH BUDGET PROBLEM IN THE FUTURE AND ENSURE EQUITY FOR ALL MEMBER STATES, WHICH OF COURSE IS OUR OBJECTIVE. THE SPECIAL COUNCIL HAS TO DO BOTH THESE THINGS AND THESE ARE THE TWO KEY FOUNDATIONS FOR A FAIRER AND MORE EFFECTIVE MANAGEMENT OF THE COMMUNITY'S FINANCES FOR WHICH WE'VE BEEN ARGUING FOR LONG. WE HAVE THUS STARTED THE PROCESS AND WITH A GREAT DEAL OF URGENCY BEHIND IT, TO GIVE THE COMMUNITY A FRESH START, TO GIVE IT, AS THE DECLARATION ON LONG TERM FINANCING SAYS, A SOLID BASIS FOR THE FURTHER DYNAMIC DEVELOPMENT OF THE COMMUNITY AND WE'VE DONE IT - AND THIS IS VERY IMPORTANT - WITHOUT PRE-JUDGING ANY ISSUE, INCLUDING THAT OF WHETHER THE COMMUNITY'S OWN FINANCIAL RESOURCES SHOULD BE INCREASED. IT'S BEEN A WEEKEND WELL SPENT AND I'D LIKE TO PAY A WARM AND RICHLY DESERVED TRIBUTE TO CHANCELLOR KOHL'S LEADERSHIP AND FORCEFUL PRESIDENCY. HE CAME HERE DETERMINED THAT THE COMMUNITY SHOULD MAKE PROGRESS, HIS DETERMINATION HAS BEEN REWARDED AND I'M DELIGHTED WITH HIS SUCCESS. MONEY WASN'T THE ONLY THING WE TALKED ABOUT, IT'S BEEN A VERY BUSY COUNCIL, AS THE PRESIDENCY'S CONCLUSIONS WILL SHOW. WE ALSO SIGNED THE SOLEMN DECLARATION ON EUROPEAN UNIONS. HERR GENSCHER AND SENOR COLOMBO HAVE WORKED HARD FOR A EUROPEAN UNION. WE LOOKED AT A NUMBER OF INTERNATIONAL ISSUES, THE MOST IMPORTANT OF WHICH ARE POLAND AND MADRID C.A.E. CONFERENCE AND THE MIDDLE EAST. WE HAD A CONSIDERABLE DISCUSSION AS MOST IMPORTANT OF ALL ON THE ECONOMIC POSITION WHICH WE'LL HAVE SEEN FROM THE PRESIDENCY'S CONCLUSION WITH PARTICULAR REFERENCE TO THE PROBLEM OF HOW TO DEAL WITH YOUTH UNEMPLOYMENT AND HOW TO SET OUT TO ALLEVIATE IT. SO I RETURN TO LONDON SATISFIED THAT THIS CONFERENCE HAS BEEN EXTREMELY WORTHWHILE. IT OFFERS THE PROSPECT NO LESS OF A MORE SOUNDLY BASED AND FAIRER COMMUNITY AND THEREFORE OF A STRONGER AND MORE CONFIDENT COMMUNITY WHICH IS WHAT THE WORLD HAS NEED OF AT THE PRESENT TIME.

YOUR QUESTIONS, GENTLEMEN, I UNDERSTAND YOU HAVE NOT YET GOT THE CONCLUSIONS - WELL, I HAVE THEM WITH ME IF ANY QUESTION ARISES ON THEM.

JOURNALIST: COULD WE HAVE THE EXACT WORDING ON THE COMMITMENT TO EXAMINE THE LONG TERM FINANCIAL REFORM AND THE WORDING ON WHAT YOU SAY ... (REMAINDER OF QUESTION LOST)

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MRS. THATCHER: YES, LOOK, THIS IS THE LONG TERM FINANCIAL REFORM ONE, IT'S QUITE LONG AND YOU CAN UNDERSTAND WHY IT TOOK A LONG TIME TO NEGOTIATE AND IT REALLY DID. IT WAS HARD POUNDING THE WHOLE WAY. CAN I ... WOULD I ... ANSWERED LATE YOU'LL BEGIN TO UNDERSTAND, I WAS FACED AND I'M GOING TO GIVE YOU ONE OF THE EARLIER DRAFTS, I WAS FACED WITH TWO PARAGRAPHS HEADED 'OWN RESOURCES AND PARTICULAR PROBLEMS OF CERTAIN MEMBER STATES', THE ORIGINAL THIRD AND FOURTH PARAGRAPH OF THAT SECTION WERE COINED IN THESE TERMS, 'THE END RESULT OF THE NEGOTIATION WILL BE A DECISION ON THE EXTENT AND TIMING OF AN INCREASE IN THE COMMUNITY'S OWN RESOURCES', THAT WAS ONE THAT I WAS FACED WITH. THE NEXT ONE - 'ANY INCREASE OF THE OWN RESOURCES WILL TAKE THE FORM OF A DECISION ON A NEW CEILING TO BE RATIFIED BY THE PARLIAMENT OF THE MEMBER STATES', IT WENT ON. NOW YOU SEE THERE WERE TWO THINGS, A DECISION ON AN INCREASE IN THE COMMUNITY OWN RESOURCES AND THE N A PARTICULAR METHOD OF INCREASING WHICH COULD ONLY RELATE TO THE VAT CEILING. BOTH OF THESE PARAGRAPHS ARE GONE - KAPUT! THE PARAGRAPH THAT IS IN NOW IS AS YOU WILL SEE - 'ON THE BASIS OF THE CONCLUSIONS REACHED ON DEVELOPMENT OF POLICIES, IMPROVING BUDGETRY DISCIPLINE, AND EXAMINATION OF THE FINANCIAL SYSTEM, THE EXTENT AND TIMING OF THE COMMUNITY'S REQUIREMENTS IN TERMS OF OWN RESOURCES WILL BE DETERMINED'. I GAVE IT TO YOU AT LENGTH SO YOU COULD SEE THE KIND OF HARD POUNDING, IT'S BEEN.

CHAIRMAN: JOHN WILDE++

JOURNALIST: PRIME MINISTER, TWO QUESTIONS, ONE IS - DOESN'T THE DOCUMENT ON THE FUTURE FINANCING ACTUALLY JUST REFLECT THE ENORMOUS DIFFERENCE BETWEEN MANY OF YOU OVER THE FUNDAMENTAL ISSUES LIKE THE NEED TO RAISE OWN RESOURCES. LOOK HOW TO HANDLE THE FUTURE OF THE COMMON AGRICULTURAL POLICY. I MEAN WHAT BASIS CAN THERE BE FOR ANY KIND OF OPTIMISM THAT YOU'LL REACH AGREEMENT BY THE END OF THE YEAR AND SECONDLY, ARE THERE ABSOLUTELY NO CIRCUMSTANCES IN WHICH YOU CAN SEE YOURSELF AGREEING TO RAISE OUR OWN RESOURCES WITHIN THE NEXT TWELVE MONTHS?

MRS. THATCHER: WHAT BASIS IS THERE FOR HOPE THAT THIS TIME WE SHALL GET DOWN TO LONG TERM FINANCING, THE FACT THAT ON PRESENT POLICIES THE COMMUNITY'S RUNNING OUT OF CASH. WE'VE EXPECTED THIS FOR A LONG TIME, IT IS NOW RUNNING OUT OF CASH. OF COURSE A LOT DEPENDS IN ANY YEAR OF THE RELATIONSHIP BETWEEN COMMUNITY AGRICULTURAL PRICES AND WORLD PRICES, THE AMOUNT OF SURPLUSES WHICH ARE SOLD BUT THEY ARE COMING NOW HARD UP AGAINST THE FACT THAT THEIR EXPENDITURE LOOKS LIKE EXCEEDING THEIR INCOME. NOW THEREFORE YOU HAVE TO LOOK AT IT ON THE BASIS OF MORE EFFECTIVELY CONTROLLING AND LIMITING THE INCREASES IN YOUR BUDGETRY POLICIES WHETHER IT BE ON AGRICULTURE OR OTHER POLICIES. WHATEVER THE LEVEL OF YOUR EXPENDITURE YOU REALLY OUGHT TO CONTROL IT PRETTY EFFECTIVELY AND IT'S THIS FACTOR WHICH IS LEADING TO A MUCH MORE CAREFUL EXAMINATION THAN ANY IN THE PAST. NOW CERTAINLY WE HAVE LISTED A WHOLE LOT OF THINGS WHICH HAVE TO BE LOOKED AT ON COMMON AGRICULTURAL POLICY, FOR THE FIRST TIME WE'VE ACTUALLY GOT TO BE LOOKED AT ONE FACTOR, THE NEED FOR STRICT FINANCIAL GUIDELINES. CERTAINLY I ACCEPT THAT IN THIS DOCUMENT THERE IS A PHRASE AND IT APPLIES TO US ALL - 'DECISIONS WILL BE TAKEN IN COMMON ON ALL THESE QUESTIONS AT THE END' SO NOTHING IS PREJUDGED, A MOTIVATING FACTOR IS THE SHORTAGE OF CASH.

JOURNALIST: BUT YOU WILL... WILL YOU ANSWER MY QUESTION WHICH .. CAN YOU SEE ANY CIRCUMSTANCES IN WHICH YOU WOULD BE AGREEING TO AN INCREASE IN OUR RESOURCES

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MRS. THATCHER: WHAT WE SAID WAS AND I THINK I INDICATED THROUGH SO ME WORDS THAT CAME OUT EARLIER, WE WOULD BE PREPARED TO CONSIDER AN INCREASE IN OWN RESOURCES PROVIDED THERE WAS EFFECTIVE CONTROL, EFFECTIVE LIMITATION ON AGRICULTURE EXPENDITURES AND EXPENDITURES ON OTHER POLICIES AND ALSO PROVIDED THERE WAS A FURTHER DISTRIBUTION OF THE FINANCIAL BURDEN. THOSE TWO THINGS HAVE BEEN TELESCOPED INTO THE WORDS 'IMPROVING BUDGETRY DISCIPLINE', AND THE EXAMINATION OF THE FINANCIAL SYSTEM.

JOHN DICKIE - JOURNALIST: PRIME MINISTER, EVER SINCE WE WERE AT DUBLIN FOUR YEARS AGO WE'VE HAD WHAT YOU'VE CALLED HARD POUNDING TO GET A BALANCED CONTRIBUTION ESTABLISHED - HOW ARE YOU CONFIDENT NOW THAT WE WON'T BE IN FOR ANOTHER SPOT OF HARD POUNDING EEEEEEE NOW THAT WE WON'T BE IN FOR ANOTHER SPOT OF HARD POUNDING IN ATHENS FOR THE 1984 BUDGET? ARE YOU CERTAIN THAT THE FRAMEWORK FOR THESE SPECIAL COUNCIL MEETINGS WILL ESTABLISH A FAIR AND BALANCED BUDGETRY CONTRIBUTION FOR BRITAIN IN THE FUTURE?

MRS. THATCHER: I EXPECT HARD POUNDING THE WHOLE WAY, THE WHOLE WAY, BUT TO PRODUCE OUT OF FOUR YEARS HARD POUNDING TWO THOUSAND FIVE HUNDRED MILLION POUNDS IN REFUNDS HAS MADE THE HARD POUNDING WORTHWHILE. I HOPE THAT ON THE LONG TERM BUDGET THE .. THE KIND OF INEQUITY ON THE BUDGET WILL NOT ARISE WHICH MAKE IT NECESSARY TO GET .. TRY TO GET REFUNDS. THE WHOLE PURPOSE OF THE LONG TERM BUDGET IS TO HAVE AN EQUITABLE MODERN - MUCH MORE EQUITABLE DISTRIBUTION OF THE BURDEN AND THAT WAS THE DIFFICULTY OF GETTING THAT CONCEPT INTO THE AGENDA FOR THE DISCUSSION OF THIS SPECIAL COUNCIL, SO IT SHOULDN'T ARISE AND THAT WILL BE HARD POUNDING, TO GET A REASONABLE RESULT THERE AND I DON'T SHRINK FROM THAT IN ANY WAY.

IAN MURRAY - JOURNALIST: PRIME MINISTER, TO CONTINUE ON JOHN DICKIE'S QUESTION: ARE YOU GOING TO BE STARTING NOW TO NEGOTIATE FOR THE 1984 REBATE, GIVEN THAT THERE'S NO WAY OUT THE DEAL CAN BE SIGNED IN ATHENS IN TIME TO PREVENT THAT BEING NECESSARY AND WILL YOU THEN BE SEEING TWO-THIRDS PAY BACK

MRS. THATCHER: WELL NOW, BY THE TIME WE COME TO THE 1984 REFUND WE SHOULD HAVE GOT A LONG WAY, IF NOT CONCLUDED THE ARRANGEMENTS FOR THE LONG TERM BUDGET AND THOSE ARRANGEMENTS SHOULD BE REFLECTED IN WHATEVER IS OUR LIABILITY IN 1984. IF NOT, THE ARRANGEMENTS WILL GIVE A GUIDELINE AS TO WHAT WE SHOULD BE PAYING IN 1984. IF WE DO NOT GET THAT FAR, AND THAT IS ALWAYS A POSSIBILITY WHICH WE HAVE TO FACE, THERE IS AN UNDERSTANDING TODAY AND PREVIOUSLY THAT THERE WOULD BE A PROVISION AND WE SHOULD HAVE TO HAVE APPROPRIATE SOLUTIONS. THAT OF COURSE GOES RIGHT BACK TO THE ASSASSINATION TREATIES WHEN WE HAD A SPECIAL UNDERSTANDING THAT UNACCEPTABLE SITUATIONS WOULD BE DEALT WITH BY THE COMMUNITY, THAT WAS THE BASIS ON WHICH WE GOT THE THREE YEAR AGREEMENT, THE BASIS ON WHICH WE GOT THIS, WHICH IS A SEPARATE AGREEMENT, AND THE BASIS ON WHICH, IF NECESSARY, WE WOULD HAVE TO GO FOR ONE IN AN INTERIM BASIS IN 1984, BUT THE FIRST LINE OF DEFENCE - IF I MIGHT PUT IT THAT WAY - IS WE WILL HOPE TO HAVE REACHED AGREEMENT ON THE LONG TERM FINANCING. IF NOT, I'VE GIVEN YOU THE FALLBACK POSITION.

ALAN COCHRANE - JOURNALIST: PRIME MINISTER, THE BRITISH PUBLIC EXPECTED A REBATE OF SOMETHING AROUND EIGHT HUNDRED MILLION POUNDS FROM THIS COUNCIL++ YOU HAVE ACHIEVED SOMETHING A SOMEWHAT LESS THAN THAT FIGURE, WHY SHOULD THEY NOT BE DISAPPOINTED BY YOUR ACHIEVEMENTS THIS WEEKEND?

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MRS.THATCHER: WELL, I CANNOT THINK WHERE THEY GOT THAT EXPECTATION FROM BECAUSE ALL THAT I READ IN THE PRESS WAS THAT 'MAGGIE PLANS TO WITHHOLD' BECAUSE THEY DIDN'T THINK I WAS GOING TO GET ANYTHING - AND NEITHER DID I WHEN I CAME HERE TO THIS EUROPEAN COUNCIL, I DID NOT THINK WE WERE GOING TO BE OFFERED ANY REMOTELY ACCEPTABLE FIGURES OR INDEED ANY FIGURES AT ALL.... WHEN WE CAME HERE THERE WERE NO FIGURES ON THE TABLE, FOREIGN AFFAIRS MINISTERS WERE ASKED TO TRY AND GO AND FIND FIGURES ON CERTAIN GUIDELINES, THEIR MEETING BROKE UP WITHOUT ANY FIGURES BEING ON THE TABLE. THAT WAS HERE. THEN CAME A FIGURE, SOMEONE ... TWO HUNDRED MILLION ECU I'M TALKING ABOUT NOW BECAUSE EXCHANGE RATE VARIES AS YOU KNOW, TWO HUNDRED MILLION ECU, THAT GOT UP TO FOUR HUNDRED MILLION ECU, THEN IT GOT STUCK FOR A LONG TIME. THEN AS SOMEONE SUGGESTED, WELL, PERHAPS THE BEST THING WOULD BE TO GO UP TO FIVE HUNDRED MILLION ECU AND PUT IT IN AS ... WELL, LET'S SAY THE ARRANGEMENT IS NOT COMPLETE BUT WE'LL PUT THAT IN AS A PRELIMINARY AMOUNT. I KNEW FULL WELL THAT THE MOMENT WE PUT IN AN INADEQUATE PRELIMINARY AMOUNT THEY'D REST ON THAT AND WE SHOULD GET NOT A PENNY PIECE MORE, SO I SAID NO. IF WE COULD AGREE ON AN AMOUNT FOR THE REST OF THIS YEAR WE COULD AGREE ON AN AMOUNT THIS WEEKEND. WE THEN BASHED ON, IF I MIGHT PUT IT THAT WAY, UNTIL EVENTUALLY, AFTER VERY VERY HARD POUNDING INDEED, - WE CAME UP TO SEVEN HUNDRED AND FIFTY MILLION ECU - THAT WORKS OUT, TAKEN OVER THE FOUR YEARS, WE WERE PROMISED IN THE 1980 AGREEMENT A SETTLEMENT OF SIXTY-FIVE POINT NINE PER CENT REFUND, OVER THE FOUR YEARS THE SEVEN HUNDRED AND FIFTY MILLION ECU WORKS OUT AT SIXTY FIVE POINT FOUR PER CENT, NOT BAD, RIGHT.

JOURNALIST: CAN I THEREFORE ASK THE PRIME-MINISTER WHETHER SHE CONSIDERS SHE'S ACHIEVED A VICTORY ...

MRZ.THATCHER: WHETHER WHAT?

CHAIRMAN: ACHIEVED A VICTORY...

JOURNALIST: ACHIEVED A VICTORY ...

MRS.THATCHER: I'M VERY PLEASED WITH THIS WEEKEND'S WORK, I CAME FEARING THAT WE WOULD BE OFFERED NOTHING, THAT WE WOULD GET NOWHERE, THAT WE WOULD HAVE TO REMIT IT TO THE NEXT FOREIGN AFFAIRS MEETING, HAVING HAD TWO EUROPEAN COUNCILS THIS YEAR AND THAT IF WE DID THAT THAT WE WOULD HAVE TO HAVE A DEBATE BEFORE PARLIAMENT SETTING OUT ALL OF THE PROMISES WHICH WE ... BEEN MADE TO US, THAT THERE WOULD BE A REASONABLE SETTLEMENT BUT NOT HAVING ANY MAIN LEVER, AND THEN CONSIDERING WHETHER WE WOULD HAVE TO TAKE OTHER MEASURES. NOW CHANCELLOR KOHL AND SOME COLLEAGUES ARE ALSO VERY MUCH AWARE OF THIS AND ALTHOUGH, AS I SAY, THERE WAS NOT A SINGLE ECU OR A POUND OR A DOLLAR OR WHATEVER YOU LIKE TO CALL IT ON THE TABLE, WHEN WE ARRIVED, BY VERY HARD POUNDING WE GOT A SETTLEMENT ON THE SHORT TERM AND I MUST SAY ALSO A SETTLEMENT ... NOT A SETTLEMENT, BUT ARRANGEMENTS FOR CONSIDERATION IN THE LONGER TERM WHICH I MUST SAY EXCEEDED ANYTHING WHICH I EXPECTED TO GET THIS WEEKEND.

JOURNALIST: PRIME MINISTER, HOPING YOUR HANDS DON'T HURT TOO MUCH FROM ALL THIS HARD POUNDING YOU HAVE DONE

MRS.THATCHER: YOU POUND WITH YOUR FEET DON'T YOU? WE POUND WITH OUR FEET HERE. I MEAN IN BRITAIN WE POUND WITH OUR FEET.

JOURNALIST: ... DID THE FACT THAT YOU'VE GOT THAT 144 SEAT MAJORITY HELP IN YOUR POUNDING? DID YOU FEEL THAT THAT ADDED TO YOUR INFLUENCES, THAT ADDED TO YOUR INFLUENCES IN THE POUNDING?

MRS.THATCHER: NO, I THINK I WOULD HAV POUNDED EVEN IF I'D GOT 200 SEATS .. (LAUGHTER)

JOURNALIST: DID YOU FIND IT BETTER WITH 144...

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MRS. THATCHER: NO, I'D HAVE GONE JUST AS HARD, I'M HERE BECAUSE WE WON, I WOULD HAVE GONE JUST AS HARD WHATEVER THE MAJORITY, WHETHER IT MADE A PSYCHOLOGICAL DIFFERENCE IN THEIR MINDS OR NOT I DON'T KNOW, BUT I DID MAKE IT PERFECTLY CLEAR THAT I THOUGHT WE HAD DONE AN EXTREMELY GOOD JOB, REALLY THROUGHOUT OUR MEMBERSHIP AND THROUGH THE ELECTION, IN DEMONSTRATING OUR LOYALTY TO THE EUROPEAN IDEAL AND TO THE EUROPEAN COMMUNITY AND ALL QUESTION ALL QUESTION ABOUT WHETHER WE ARE OR NOT, I THINK IS OUT OF BRITISH POLITICIS.

CHAIRMAN: ALAN OSBORNE.

ALAN OSBORNE - JOURNALIST: QUESTION INDISTINCT.

MRS. THATCHER: WELL, NOW CAN I ANSWER THOSE TWO FIRST BECAUSE WE'RE GOING TO GET ... THE FIRST ONE, YES, BUT LOOK WE HAVE NO LEGAL ENTITLEMENT TO ANYTHING THIS YEAR AT ALL, NO LEGAL ENTITLEMENT. I'D HAVE HAD TO HAVE GONE BACK AND ARGUED ON UNACCEPTABLE SITUATIONS. THEY WOULD SAY WE HAD NO LEGAL ENTITLEMENT TO ANYTHING LAST YEAR, 1983, BECAUSE THE FORMULA WAS LEFT TOO OPEN, SO NO LEGAL ENTITLEMENT TO ANYTHING THIS YEAR AND THAT WAS A FACTOR ONE ALSO HAD TO TAKE INTO ACCOUNT. I THINK IF IT COMES TO WHAT THEY CALL OVERPAYMENT TO WHICH WE REFERRED SPECIFICALLY TO THE YEAR 1981, WE WOULD ARGUE VERY MUCH ABOUT THE EXTENT OF .. OR WHETHER THERE WAS AN OVERPAYMENT AT LAW AND EVEN IF YOU DON'T LOOK, THERE'S A LEGAL MATTER, THE EXTENT OF THE OVERPAYMENT, WE WOULD ARGUE VERY MUCH ABOUT THAT BUT I HAD TO TAKE INTO ACCOUNT THIS YEAR I'VE NO LEGAL ENTITLEMENT. NOW I WANT TO DO A TWO-THIRD GUIDELINE - THEY WOULD SAY THIS YEAR, LET ME MAKE IT PERFECTLY CLEAR, IT DOES, WHICH IS WHY I SAY WE POUNDED EXTREMELY HARD AND GOT WHAT WE COULD DEPEND AS TWO-THIRDS AVERAGE OVER THE WHOLE FOUR YEARS, THEY WILL SAY THAT WHAT THEY AGREED WAS AN AD HOC LUMP SUM. IT HAPPENS THAT WHAT I AGREED IN THE AD HOC LUMP SUM WAS DELIBERATELY BROUGHT UP TO WHAT WAS AN AVERAGE OF TWO-THIRDS OVER THE WHOLE FOUR YEARS. NOW HAVE I MADE THAT CLEAR? THERE'S A DIFFERENT WAY OF SEEING IT, IT IS AS THE FACTS ARE, AS THE NEGOTIATIONS WENT, AN AVERAGE OF TWO-THIRDS OVER THE WHOLE FOUR YEARS BRINGING I UP TO £2,500 MILLION. THEY WILL NOT ACCEPT THAT AS A FORMULA WHICH SHOULD GO THROUGH TO FUTURE YEARS. THEY SAY THIS IS AN AD HOC ARRANGEMENT.

JOURNALIST: PRIME MINISTER, WOULD YOU GIVE US YOUR ASSESSMENT ON THE SOLEMN DECLARATION - I MUST SAY IT'S A LITTLE VAGUE IN PARTS -

MRS. THATCHER: WELL YES, SOLEMN DECLARATIONS TEND TO BE BUT THEY REALLY ARE .. YOU'RE TALKING ABOUT THE GENSCHER/COLOMBO ONE?

JOURNALIST: YES.

MRS. THATCHER: YES BUT THEY REALLY ... THEY DO TEND TO BE A RENEWAL OF THE PRINCIPLES AND IDEALS WHICH BROUGHT THE COMMUNITY TOGETHER AND REALLY THOSE ARE VERY IMPORTANT AND, YOU KNOW, ONE OF THE THINGS THAT I ALWAYS CONSTANTLY SAY AT HOME IS ONE OF THE REASONS WHY I, MYSELF, AM A GREAT PASSIONATE BELIEVER IN THE EUROPEAN ECONOMIC COMMUNITY IS THAT IT'S ABSOLUTELY VITAL, LOOKING AT THE WORLD AS A WHOLE, THAT THOSE WHO BELIEVE IN FREEDOM AND JUSTICE AND DEMOCRACY SHOULD STAND TOGETHER, SHOULD BE SEEN TO STAND TOGETHER AS AN AREA OF STABILITY. NOW THAT'S THE WHOLE BELIEF AND BACKGROUND OF THIS AND THEN WE GO ON TO TRY TO GET CLOSER POLITICAL CO-OPERATION, CLOSER CO-OPERATION ON A NUMBER OF ISSUES AND SOME OF THE THINGS WHICH ... WE FOUND DIFFICULT AT FIRST IN THE EARLIEST TEXTS: - FOR EXAMPLE, THINGS ABOUT THE LUXEMBOURG COMPROMISE, THE MAJORITY OF VOTING, SOME OF THOSE THINGS HAVE BEEN ELIMINATED FROM THE TEXT OR TAKEN CARE OF IN PROTOCOLS.

CHAIRMAN: I'LL TAKE TWO MORE QUESTIONS .. THE LADY .. THAT'S RIGHT THERE, YES.... (6)

JOURNALIST: QUESTION INDISTINCT

MRS.THATCHER: NO RISK SHARING CLAUSE, EITHER UP OR DOWN - NEITHER

JOURNALIST: QUESTION INDISTINCT.

MRS.THATCHER: YES, WE MET .. I NEVER REVEAL WHAT WE DISCUSS UP
EEE BUT IT NEED NOT WORRY YOU IN ANY WAY.(LAUGHTER)

JOURNALIST: ... SUGGESTS THAT IT MAY LEAD TO AN ANGLO/IRISH
SUMMIT LATER THIS YEAR.

MRS.THATCHER: THE ANGLO/IRISH SUMMIT WILL BE RESUMED, WE HAVE NOT
GOT A DATE FOR RESUMPTION.

JOURNALIST: IF I CAN JUST COME BACK TO ... IN THE 'DAILY EXPRESS'
THIS WEEK YOU SAID YOU WERE AGAINST .. WERE NO KIND OF BELIEVER AT
ALL IN A FEDERAL EUROPE. TODAY YOU'VE SIGNED A DOCUMENT WHICH
COMMITTS NONE OF THE MEMBER STATES TO ACHIEVING EUROPEAN UNION.
YOUR ~~SPEECH~~ YESTERDAY SAID THAT ONCE THE BUDGET THING WAS
OUT OF THE WAY YOU WOULD DEVOTE YOUR CONSIDERABLE ENERGY TO
BUILDING UP A EUROPEAN CAUSE BUT WHAT EXACTLY IS YOUR KIND OF
OBJECTIVE, YOUR KIND OF EUROPE THAT YOU'RE WORKING FOR?

MRS.THATCHER: NO, I'M ABSOLUTELY AGAINST A FEDERAL EUROPE, SO ARE
MOST OTHER PEOPLE ROUND THAT TABLE. EUROPEAN UNION HAS A TERM ...
HAS A MEANING OF ITS OWN IN EUROPE WHICH DOESN'T MEAN EUROPEAN UNION,
I THINK THAT'S REASONABLE TO SAY, MICHAEL, YOU'RE A EUROPEAN ...

JOURNALIST: IT CERTAINLY DOESN'T MEAN A FEDERATION

MRS.THATCHER: THAT'S RIGHT, THAT'S RIGHT. SO I BELIEVE AND CONTINUE
TO BELIEVE IN A EUROPEAN COMMUNITY OF TEN NATION STATES COMING
TOGETHER BECAUSE THEY HAVE COMMON BELIEFS IN FREEDOM, JUSTICE
AND DEMOCRACY AND THEY WORK TOGETHER IN COMMON ECONOMIC AND
TRADING MATTERS IN PARTICULAR AND TRY TO GET GREATER POLITICAL CO-
OPERATION BUT I'VE NEVER DEPARTED FROM THAT AND I THINK I AM
UNLIKELY NOW TO DO SO.

CHAIRMAN: WELL, THANK YOU VERY MUCH, LADIES AND GENTLEMEN.