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13/9CHANCELLOR OF THE EXCHEQUERVAT Margin Scheme on Secondhand Goods: Reasoned Opinion

1. Thank you for your letter of 4 September.
2. In view of the time factor and the arguments in your letter, I agree with the reply to the Commission which you propose. I am, however, worried by the Law Officers' opinion that this is a case we are unlikely to win, and I share their view that the cumulative impact of our defending such cases needs to be examined with a view to adopting a coherent approach, and one which will not damage our credibility with the Court. I hope that such an examination can be arranged very soon and certainly before we are irrevocably committed in this particular case.
3. I am copying this minute to the Prime Minister, colleagues in OD(E), the Lord Advocate and Sir Robert Armstrong.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
13 September 1985

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