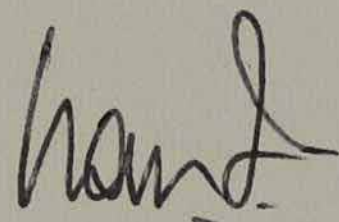


PRIME MINISTER

Cabinet: Community Affairs

1. You might wish to confirm for the record the new dates of 27/28 April for the postponed European Council; and to inform the Cabinet that, on the budget problem, Signor Cossiga is expected in London on 22 April in his second tour of Community capitals, and that meanwhile intensive consultations are in train this week with our major partners at senior official level.
2. The Foreign and Commonwealth Secretary and the Chancellor of the Exchequer will be attending meetings of the Foreign Affairs Council and the Finance Council on 21/22 April but it is not likely that much progress will be made at these meetings. The Foreign Affairs Council will discuss Iran and (if not already covered under the Foreign Affairs item) Lord Carrington might report on the prospects.
3. The Minister of Agriculture will be attending the Agriculture Council next week. On CAP prices and sheepmeat, in accordance with the decision of the meeting under your chairmanship on 15 April, he will make no substantive concessions in advance of the discussions on the budget at the April European Council but seek to ensure that the issues are adequately prepared. Mr Walker might meanwhile report on his bilateral talks on the CAP prices and sheepmeat with Signor Marcora and M Mehaignerie on 14 and 15 April respectively.



M D M FRANKLIN

16 April 1980