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PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 192/81

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THE PRIME MINISTER

18 June 1981

Dear Chancellor,

Thank you very much for your telegram of 1 June.

I wholeheartedly agree with you on the need for a Community decision requiring state aids that are contrary to the Treaty to be phased out and linked to capacity reduction. It is disappointing that more progress could not be made by the Council on 4 June although closely similar positions on behalf of the Federal Republic of Germany and the United Kingdom were taken by Count Lambsdorff and Norman Tebbit, who had met beforehand. I hope for better results at the next Council discussion due on 24 June. It is also important that we reach agreement on social measures to demonstrate the Community's concern for the social consequences of capacity reduction.

I hope that we can continue to concert our positions, the more so as the positions of other Member States evolve.

Yours sincerely

Rayabutt Sholiba

His Excellency Herr Helmut Schmidt