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10 DOWNING STREET

From the Private Secretary

14 June, 1979.

Community Budget

The Prime Minister saw the Foreign and Commonwealth Secretary's minute (PM/79/51) of 8 June, covering a draft formulation on the Community Budget to which we might seek to secure the agreement of the European Council when it meets at Strasbourg on 21/22 June. As you know, the Prime Minister expressed some reservations about the wording of this draft, and you sent me a revised version taking account of the Prime Minister's comments. The Prime Minister has since seen the Chancellor of the Exchequer's minute of 8 June to Lord Carrington, and Lord Carrington's reply, in his minute (FCS/79/116) of 12 June, which covered the revised text of the draft formulation for the Council.

Having considered these papers further, the Prime Minister agrees (and understands that the Chancellor of the Exchequer is content) that the revised text should now be shown to the Italians, and that, subject to the outcome of her talks with Signor Andreotti tomorrow, the next move should be to try to sell it to the French Presidency. The Prime Minister also agrees that we should tell our Community partners early next week what our general line is to be and, if necessary, secure our own text.

I am sending copies of this letter to Martin Hall (HM Treasury) to the Private Secretaries to the other members of OD(E), and to Martin Vile (Cabinet Office).

B. G. CARTLEDGE

Paul Lever, Esq.,  
Foreign and Commonwealth Office.

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