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Envo 901 : Council meeting : 1010.

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GRS 367
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FRAECONOMIC
FM FCO 261300Z MARCH 82
TO IMMEDIATE BRUSSELS
TELEGRAM NUMBER 63 OF 26 MARCH
AND TO IMMEDIATE UKREP BRUSSELS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 52A/82

1. PLEASE PASS FOLLOWING MESSAGE TO M. MARTENS FROM PRIME MINISTER:
THANK YOU FOR YOUR MESSAGE ABOUT THE WAY YOU SEE OUR DISCUSSION GOING AT THE EUROPEAN COUNCIL NEXT WEEK.
I AGREE WITH YOU THAT IT IS IMPORTANT FOR US TO EXCHANGE VIEWS ABOUT THE ECONOMIC PROBLEMS WHICH FACE ALL OUR COUNTRIES AND TO LEARN FROM EACH OTHER'S EXPERIENCE. I FOUND OUR DISCUSSION ON THESE SUBJECTS LAST NOVEMBER PARTICULARLY CONSTRUCTIVE AND HOPE WE SHALL AGAIN BE ABLE TO AGREE ON THE NEED TO CONTROL PUBLIC DEFICITS AND MONETARY GROWTH IF WE ARE TO ACHIEVE OUR OBJECTIVES OF FIGHTING INFLATION AND UNEMPLOYMENT. I ALSO AGREE WITH YOU THAT OUR DISCUSSIONS SHOULD COVER THE CREATION OF THE RIGHT CLIMATE FOR INVESTMENT. I AM CONVINCED THAT IMPROVING THE ECONOMIC ENVIRONMENT FOR THE PRIVATE SECTOR IS THE KEY TO ACHIEVING SUSTAINABLE RECOVERY.
AS REGARDS THE EXTERNAL ECONOMIC PROBLEMS, I THINK IT IS PARTICULARLY IMPORTANT IN THE RUN-UP TO THE VERSAILLES ECONOMIC SUMMIT TO DISCUSS OUR ECONOMIC AND COMMERCIAL RELATIONS WITH THE US AND JAPAN AND I HOPE WE SHALL BE ABLE TO REACH AGREEMENT ON A UNITED STAND BY THE COMMUNITY TO URGE THE US AND JAPANESE GOVERNMENTS TO COOPERATE IN REDUCING THE PRESENT STRAINS ON THE WORLD TRADING SYSTEM.
THE FOREIGN MINISTERS WILL BE MEETING AGAIN SHORTLY AFTER OUR MEETING TO CARRY FORWARD THE WORK ON THEIR MANDATE OF 30 MAY 1980. WHILE I AGREE WITH YOU THAT IT WOULD NOT BE APPROPRIATE TO GET INVOLVED IN DISCUSSION OF DETAILED SOLUTIONS, I AM SURE THAT YOU WOULD AGREE THAT THE COUNCIL SHOULD RECEIVE

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A REPORT ON THE PROGRESS MADE ON THE REMIT THAT IT GAVE TO FOREIGN MINISTERS LAST NOVEMBER: THAT SOME TIME SHOULD THEREFORE BE SET ASIDE FOR THIS SUBJECT: AND THAT WE SHOULD COLLECTIVELY UNDERLINE THE DESIRABILITY OF REACHING AN EARLY SOLUTION. AS TO POLITICAL COOPERATION, I AGREE THAT WE SHOULD DISCUSS THE SUBJECTS YOU MENTION IN YOUR LETTER WITH THE CLARIFICATIONS THAT EMERGED FROM THE FOREIGN MINISTERS' MEETING ON 23 MARCH. I AM GLAD TO HEAR THAT THE PRESIDENCY HAS ARRANGED FOR POLITICAL DIRECTORS TO MEET ON 26 MARCH TO PREPARE THIS PART OF OUR DISCUSSION. ENDS

CARRINGTON

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