

Confidential



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

3 April 1981

M O'D B Alexander Esq.
10 Downing Street
LONDON
SW1

to: [unclear]

Dear Michael,

AGRICULTURAL PRICE NEGOTIATIONS

I showed the Chancellor of the Exchequer your letter of 1 April to Kate Timms recording the Prime Minister's meeting on 1 April. He asked me to write to say that there was an important point that he made in discussion which he would like to put on the record.

His point was that, if the common fisheries policy remained unresolved at the time of the price settlement (as has indeed proved to be the case), the French might be tempted to make a link with decisions on our 1982 refunds or on Budget restructuring generally. If they did, the Treasury would be obliged to argue against making financial concessions in the broader context in order to avoid the need for compromise on the details of the common fisheries policy.

I am sending copies of this letter to the recipients of yours.

yours sincerely

John Wiggins

A J WIGGINS
Private Secretary