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10 DOWNING STREET

From the Private Secretary

29 June, 1981

The Prime Minister has seen the Chancellor of the Exchequer's recent minute on agriculture and fisheries policy and the Minister of Agriculture's comments of 22 June.

The Prime Minister agrees that it will be necessary to prepare the United Kingdom's approach to the 1982 CAP price fixing in good time, and to pursue the Government's objectives for the reform of the CAP with vigour and resolution in the forthcoming negotiations on the restructuring of the Community budget. The Commission's report appears to offer a number of suggestions which are in line with the policy on the CAP as agreed in OD(E).

The Prime Minister also agrees that it will be vital to avoid the Common Fisheries Policy getting tangled up with the budget restructuring negotiations, and understands that bilateral meetings with the French are being arranged with a view to securing an early agreement in the Fisheries Council.

I am copying this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, the Minister of Agriculture, Fisheries and Food and other members of OD(E) Committee, the Secretaries of State for Scotland and Wales and Sir Robert Armstrong.

M. O. D. B. ALEXANDER

A J Wiggins, Esq
HM Treasury

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