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PRIME MINISTER'S



PERSONAL MESSAGE

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THE PRIME MINISTER

1 December 1983

Dear Prime Minister

I greatly welcomed the opportunity we had last month to discuss together the main issues which we will need to resolve at next weekend's European Council in Athens. As I told you then, I attach great importance to our making decisive progress on that occasion. Your own role as the chairman of our meeting will be a crucial one and I thought it might be useful to let you have my views on a few key points in advance of the meeting.

First on a point of procedure, I do think it is most important that we get to grips straight away with the linked issues of budget imbalances, the effective control of agricultural and other spending and the Community's future financial requirements. My own experience when I chaired the European Council in London in 1981 was that a failure to face up to the main issues in these fields on the first day of the meeting damagingly undermined the prospects for overall success. So I hope you will schedule a discussion of these points for our Sunday afternoon session.

I do not need to remind you how important for my country the discussion of budget imbalances will be. We need once and for all to put behind us the annual haggles of recent years and to take this opportunity to set the Community's finances on a sound, lasting and equitable basis. But if this is to be achieved, it will be essential to address the whole of the problem

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which arises from the budgetary burden we currently bear, not just part of it. I do not see any solution being agreed which only takes account of part of the problem; and it is only when this problem and that of the control over expenditure have been resolved that a decision on the future financial requirements will be possible.

As to the other key issue of the control of expenditure, I have been much encouraged by the ideas put forward at the Special Council this week by the French Minister of Finance. I believe that these, together with the ideas we ourselves and the Netherlands Government have earlier put forward for a specific control over the rate of growth of agricultural spending, provide material from which satisfactory decisions could be fashioned.

Finally I attach great importance to our taking a limited number of decisions in the field of new policies as part of a satisfactory overall package, together with sending a clearly positive signal to Spain and Portugal about their negotiations for accession. You know our priorities on new policies. I hope we will be able to register real progress on the internal market, on insurance services, on transport, on energy, on the environment and on research and development.

I look forward to seeing you in Athens; and I send you my very best wishes for a successful meeting.

Yours sincerely  
Margaret Thatcher

His Excellency Mr. Andreas Papandreou

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