



PM/81/54

PRIME MINISTER

*ks. Am*

European Council

1. I was rather surprised by Peter Walker's minute of 25 November. After our discussion at your briefing meeting, I had thought that we were all agreed that the budget guidelines, if we can get them, would represent a substantial step towards our objectives. I expect that the Chancellor will have views on this. My own is that they are certainly not platitudes or meaningless phrases. Nor do I think that any of the texts on the CAP which we have agreed we could accept in the context of conclusions on all three chapters represents a substantial concession. All these texts are at the level of principles and leave details to be worked out later.

2. In the event of our failing to get agreement on budget guidelines, it is clear that we would not make concessions on agriculture.

3. I am sending a copy of this minute to the Minister of Agriculture, the Chancellor of the Exchequer, and Sir Robert Armstrong.

*C*

(CARRINGTON)

Foreign and Commonwealth Office

25 November 1981