

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T40/82
10 DOWNING STREET



JS
Germany
afw.
cc Harter file

THE PRIME MINISTER

8 March 1982

Dear Prime Minister,

Thank you for your letter of 19 February about the European economic situation.

I, too, look forward to a thorough discussion of the economic and social situation at the next European Council. As you say, these are difficult times for the economies of all the Member States and it is important for us to exchange views and learn from each other's experiences.

I found our discussion last November particularly constructive and was glad to be able to announce afterwards our broad agreement that the objectives of fighting inflation and unemployment required that public deficits and monetary growth should be kept under control within tight limits. I remain convinced that the key to creating competitive jobs and achieving sustainable recovery lies in continuing the fight against inflation, improving the economic environment for the private sector and bringing about necessary structural change.

Vitally important though these problems are, I think it is our duty at our meeting in March to discuss also the other major problems which face the Community. I am sure, for example, that we should devote adequate time to discussion of the international political situation, and we should also review the position reached in the 30 May Mandate negotiations. My hope has been that by 29 March these negotiations will be completed. If not, we may need to devote a substantial amount of time to these issues, which are basic to the whole cohesion and develop-

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ment of the Community. Failure to do so would, I think, be generally misunderstood and would certainly be hard to defend to the people of Britain.

I hope, therefore, that it will prove possible within the time available not only to have a thorough review of the economic and social situation, to which I attach importance, but also to consider the other main Community problems of the day.

Yours sincerely
Margaret Thatcher

His Excellency Mr. Anker Jørgensen