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Qz.03203

MR COLES

A.S.C. 29/6

P.A.

This is a small re-draft of one or two sentences in the second paragraph of the draft minute from the Prime Minister to Herr Kohl, about which we spoke.

Df Williamson

D F WILLIAMSON

29 June 1983

It will clearly be in the interests of the Community that these negotiations should be brought to a successful conclusion by December. There will be much work to do over the next six months and I believe that the views of our two countries on the longer term development of the Community have come closer together. I have greatly valued the bilateral discussions which we have had on these matters and I very much hope that we can continue to cooperate closely. As I see it, if the Community is to go forward as we wish, there are two particularly important tasks. The first is to introduce better control of agricultural and other expenditure, including in particular the setting of strict financial guidelines. The second task is to establish some kind of safety net, which would prevent any Member State from being placed in an unacceptable situation, and would thus solve the problem of budgetary inequities which has so bedevilled the Community in recent years. I have instructed my officials to cooperate very closely with yours on those problems. I know that we have a similar approach and hope that we can establish together as much common ground as possible in our handling of these problems.