

PRIME MINISTER

I attach the text of Mr Walker's statement today about the Agriculture Council.

For the Opposition, Norman Buchan welcomed the French Foreign Minister's remarks separating the Falklands from the Mandate and price fixing issues. Mr Buchan naturally supported HMG's rejection of the new price proposals, but he sought confirmation that Mr Walker would not accept these even within a wider package on outstanding Community problems. Finally he stressed - as did Gavin Strang later - that decisions on such fundamental issues by majority were totally unacceptable.

David Steel suggested caution about the "warm embrace" of the Opposition. Farmers would be further dismayed about the continuing delay. Our European partners felt that, despite a major re-negotiation of our arrangements in the Community, we were now seeking further re-negotiation every year. Robert MacLennan later echoed, for the SDP, the growing impatience of the farming community.

In further exchanges there were some ritual references to the Government's manifesto statements about resisting price increases on products in structural surplus. There was also some probing of the Luxembourg Accord on questions of major national interest. But the House did not challenge Mr Walker's view of events.

12 May, 1982

COUNCIL OF AGRICULTURE MINISTERS MEETING ON 10 - 11 MAY

STATEMENT

With permission, Mr Speaker, I should like to make a statement to the House about the Council of Agriculture Ministers meeting in Brussels on 10 - 11 May.

The Council continued its discussion of the Presidency proposals on a number of major elements in the 1982/83 price fixing. After further Commission proposals, all Member States that had previously maintained reserves withdrew them, with the exception of the United Kingdom.

In the absence of further improvements the United Kingdom maintained our specific reserves on parts of the package in addition to our overall reserve that the agricultural and budget elements of the mandate of 30 May must be agreed in parallel.

I explained why important British interests were involved and why we could not agree to take decisions except by unanimity.

The next meeting has been provisionally arranged for 17 May.