

CONFIDENTIAL

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Prime Minister

A.S.C. 25.  
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Ref. A083/0251

MR COLES

Common Agricultural Policy Price Fixing 1983/84

The Prime Minister asked why I had referred in my brief for last week's Cabinet to "the Commission's proposals for a 5.5 per cent increase in agricultural prices" when the Minister of Agriculture was referring to a 4.4. per cent increase.

2. The Commission's price proposals are based on a "norm" increase of 5.5 per cent, and this is the figure the Commission use in referring to them. In practice, however, because the increases for cereals and for milk in particular are below the norm, the weighted average increase on a Community basis works out at about 4.4 per cent. This average increase in common prices is the figure which is of primary interest domestically, and is the natural figure for the Minister of Agriculture to use in the House of Commons.

3. I am afraid that the weighted average increase figure was not available at the time when the brief had to be written.

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ROBERT ARMSTRONG

25 January 1983

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at Page J  
on Budget  
file.

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MR. HATFIELD

This is just to record that the Prime Minister has seen Sir Robert Armstrong's minute of 25 January about Common Agricultural Policy Price Fixing for 1983/84.

Tim Flesher

26 January 1983

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