

*Consolidated Budget.*

cc I.G. 2

MS

PRIME MINISTER

Foreign Affairs Council

I attach a copy of the Lord Privy Seal's statement this afternoon. In another inept performance at the Dispatch Box Eric Heffer could do little more than suggest that Members could learn more from the papers than from Mr Atkins on these matters. He muttered about dangers of another shoddy deal and threw in references to "retreat" and "sell out".

In a series of brief but predictable exchanges, the most noteworthy theme was Japan. Peter Emery, David Owen, Kenneth Lewis and David Myles all suggested that the talk had gone on for long enough, and it was time for deadlines and action, both to protect businesses here and to promote the prospects of exporters like the whisky industry.

Other Members who spoke simply took the opportunity to restate their well-known positions in questioning Mr Atkins. But there was some sense of frustration that he chose to give no detail on the Thorn/Tindemans proposals, and this could be raised with you tomorrow.

MA

24 March 1982


TO BE CHECKED  
AGAINST EVERY

FOREIGN AFFAIRS COUNCIL: PARLIAMENTARY STATEMENT BY THE LORD  
PRIVY SEAL, MR HUMPHREY ATKINS MP.

With permission, Mr Speaker, I shall make a statement on the Foreign Affairs Council which took place in Brussels on the 22nd and the 23rd March. My right hon Friend the Secretary of State for Trade and I represented Her Majesty's Government on the 22nd and my right honourable and noble Friend was our representative on the 23rd.

The Council decided that the Community should sign the 6th International Tin Agreement. It and Member States agreed that they should make clear at the time of signature that the Agreement should not be used to facilitate or support the manipulation of the market.

Ministers examined the question of relations with Japan and reached important conclusions. They endorsed the view that these relations remained a matter of serious concern and agreed a comprehensive approach to these problems. This includes continued efforts to persuade Japan to modify its trade and economic policies, a renewed call for tangible assurances of effective moderation of Japanese exports in sensitive sectors; and agreement that the EC should




initiate consultations with Japan about her low level of imports under the dispute settlement procedure of Article XXIII of the GATT. I am arranging for a copy of the text of the Council conclusions to be placed in the Library of the House.

The Council finalised the text of the inter-governmental agreement setting up the European Foundation. Foreign Ministers of the Member States will be asked to sign the agreement next week.

The negotiations for Spain's accession to the Community continued with a further meeting at Ministerial level. I am glad to report that agreement was reached on almost all the outstanding points in six further areas of the negotiations. We have now had <sup>constructive</sup> ~~good~~ meetings in the last few weeks with the Spanish and with the Portuguese and I very much hope that these will lead to more rapid progress being made in the negotiations with both countries.

During the Council the Greek Minister delivered to the Presidency a memorandum on Greece's future relations with the European Community, and announced Greece's intention to raise the matter at the European Council next week.



The whole of the 23rd of March Council was devoted to a detailed discussion of the 30 May Mandate, and in particular the problem of Britain's budget contribution. The Presidents of the Commission and the Council put forward <sup>on a personal basis</sup> some new ideas on a method of dealing with the budget problem. These were greeted with real interest by Ministers of the Member States who agreed not to make any substantive comments but to discuss them further at a special meeting of Foreign Ministers to be held on Saturday 3 April.