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PRIME MINISTER

Statements: 27 October 1982

There were three statements this afternoon: Mr. Pym on the Foreign Affairs Council, Mr. Walker on the Fisheries Council and Mr. Lawson on Britoil.

The Foreign Affairs Council

The House was in a somewhat end-of-term mood.

It was pretty clear that the Opposition, led by Eric Heffer, had not grasped all the details of the agreement reached in the Foreign Affairs Council. They pointed out that the Council had not reached an agreement covering the long term, and sought to paint this as a failure. Mr. Pym pointed out in turn that arrangements for the long term had not been on the agenda of the Council, and would be discussed in November. The Opposition, aided by Nicholas Winterton, then turned to an attack on the Multi-Fibre Arrangement. From there, they moved on to call for firm action against unfair trade in the GATT Ministerial meeting, and some Opposition Members also called for mandatory Community measures on steel. This led Mr. Pym to say that a slide into protectionism would only make the recession worse. He hoped that the GATT Ministerial meeting would help to maintain the open trading system. Teddy Taylor asked whether the Government would consider withholding its contributions if the Community failed to reach agreement on the budget in 1983, to which Mr. Pym gave a non-committal answer. Tony Marlow ended up the questioning by saying that our trade deficit with the Community was a scandal, to which Mr. Pym replied that the recent trade figures had been very satisfactory overall.

The Fisheries Council

The questions on this statement followed a very familiar line. The Opposition, led by Norman Buchan, said that the agreement reached in Luxembourg was a retreat from the Conservative Manifesto, that the industry had only accepted the agreement under duress, that the £15 million aid announced by Mr. Walker was:



a bribe to induce the industry to accept the agreement, and that the Government should have allowed time for the proposals to be debated in the House before they signified agreement in Luxembourg. Mr. Walker replied that he had <sup>offered</sup> ~~told~~ the industry ~~he had been offered~~ the £15 million aid some time before the Council, that the leaders of the industry had all been in Luxembourg and had readily accepted the agreement, which was better than anything achieved by the Opposition while in office.

### Britoil

Merlyn Rees asked a long list of questions, but his most important points were that the Government were selling Britoil at the wrong time, that they were giving Britoil a cash injection to improve their balance sheet, but that they were making no arrangements to protect Britoil acquisition by foreign investors, and that the PAC should be allowed to investigate the Government's proposals. Mr. Lawson had no difficulty in dealing with any of these points. He pointed out that the FT Actuaries' oil share index had risen considerably in the last year, that he had made no agreement to inject cash into Britoil, that he would welcome an investigation by the PAC, and that only the market could determine the value of the Company. He made play with the fact that the Opposition had sold shares in BP in 1977 with no prior consultation of Parliament, and that this sale was a financially unwise move from the point of the Exchequer. The Government would be retaining a special share in Britoil in order to ensure that it did not fall under foreign control. The only excitement was caused by Mr. Lawson's refusal to answer a suggestion from the Opposition that Ministers should not be allowed to buy shares in Britoil so as to avoid any suspicion of insider dealing. At first Mr. Lawson simply refused, with some encouragement from the Lord President, to rise to answer this question. When it was repeated by Mr. Cryer, he dismissed it as beneath contempt. The Opposition became somewhat excited and accused Mr. Lawson of arrogance, and repeated this when he dismissed another question from Frank Haynes as "far fetched."

Stephen Seag PP Willie Rickett.

27 October 1982





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*Des Walker*

COUNCIL OF FISHERIES MINISTERS: 25-26 OCTOBER 1982

... I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

*Yours sincerely*  
*Robert Lawson*

ROBERT LOWSON  
Private Secretary