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PRIME MINISTER

2 October 1985

PARTY CONFERENCE: AGRICULTURAL POLICY

It would be unwise for Michael Jopling to promise a policy element in the 1986 Annual Review White Paper.

The time for this kind of paper is past. In 1975, when our entry into the Common Market guaranteed rising prices, it was safe and politically attractive to publish an up-beat White Paper (Food from Britain). An attempt to write such a paper today would have to emphasise that prices are likely to fall in real - and perhaps nominal - terms, and moreover that it is our policy to prosecute that policy. The paper would have to explain our tough domestic policies towards agriculture - charging for ADAS, reducing agricultural R&D, reducing and eliminating capital grants. Why put down all this gloom in cold print? It would be politically inept.

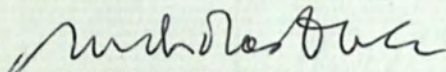
Michael Jopling will not, by January 1986, be able to offer specific guidance on price levels. If he tries, he will probably get it wrong and be justly blamed for misleading the farmers. We do not want a repeat of Peter Walker's mistake.

No other industry is given specific guidance on its future. Let farmers make up their own minds about this, as they are doing. We should always remember that we do not owe it to farmers to tell them what is in store for them. Farmers farm by choice.

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I suggest that the reply should encourage Michael Jopling, and other Agriculture Ministers, to discuss the future of agriculture in a series of speeches, and possibly seminars. You are concerned that a White Paper would promise guidance which we are not in a position to give. It would have little to say that was politically attractive.


NICHOLAS OWEN

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