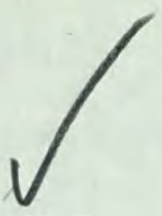


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cc NO



Pine Nivalo²

The Jopling's office thinks it likely that

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Michael Jopling MP
Minister of Agriculture, Fisheries and Food
Ministry of Agriculture, Fisheries and Food
Whitehall Place
London
SW1A

he will accept this.

N.L.W

4.10.

4 October 1985

Dear Secretary of State

EMERGENCY RELIEF FOR FARMERS

I have considered carefully the draft form of words on emergency relief for farmers which you sent to me.

As I said in my letter on Wednesday, I regard it as essential to keep separate the issues of emergency relief this winter and the regular review of HLCAs later in the autumn, which concerns not only expenditure this year but sets a base for expenditure in future years. Your draft tends to merge these two issues and I must ask you to accept some amendments designed to avoid this. These are incorporated in the attached revised draft.

On the understanding that your statement will relate to temporary relief measures, I am prepared exceptionally to try to find some money from the Reserve this year. Bearing in mind the other pressures on the Reserve (which I return to below), I could only accept a bid well below £10 million.

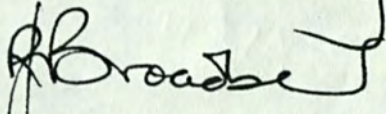
I would greatly prefer you not to mention the HLCA review at all. If nevertheless you feel that it is essential to do so I must ask you to keep to the form of words in square brackets in the attached revised draft.

As regards this year's review of HLCAs I cannot now enter into any commitment to find resources for an up-rating, and you accepted in our PES bilateral last week that this question must be set aside until the results of the review are available. The first year cost of an up-rating would be likely to be a further call on this

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year's reserve. We already have claims of well over £400 million for agriculture in prospect (£350 million for IBAP, £37.5 million for capital grants and up to £30 million for compensating French turkey producers) which is getting on for 10 per cent of the entire Reserve. I shall be bound to take this fact, as well as the emerging picture on the Survey, into account when considering any bid for HLCAs.

I am sending copies of this letter to the Prime Minister, Willie Whitelaw, Nicholas Edwards, Tom King and George Younger.

Yours sincerely

for JOHN MacGREGOR

[Approved by the Chief Secretary]

DRAFT PASSAGE FOR INCLUSION IN MINISTER'S SPEECH

We have been reminded once again that farming is not an easy business. The farmers accept that the weather is sometimes kind and sometimes not, but this year the wet summer has brought enormous difficulties to many farmers particularly in Scotland, Northern Ireland, Wales and parts of Northern England. I want to tell you this afternoon that the Government is well aware of the problem. We plan to do something about it. The details must still be worked out but by one means or another we intend to provide temporary help - extra money - where it is most needed; and we aim to try to help farmers as soon as possible to cope during winter months. There will also be help to Northern Ireland through the transfer of cereals from intervention stocks. [Incomes in the less favoured areas - where the worst affected areas are - are of course always considered in the annual review of the rates for Hill and Livestock Compensatory Amounts which will take place this Autumn.]

Agriculture : Expenditure 9/83.

