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SCOTTISH OFFICE
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Prime Minister

24 October 1985

EMERGENCY AID FOR FARMERS

As you know I have to be abroad in Japan for the next 14 days or so and one of the pieces of business which is as yet unfinished as I leave is that of a relief package for our farmers affected by the disastrous weather. The Agricultural Departments are presently in the process of putting together such a package which I hope will be put to the Treasury within the next few days.

It is now clear that conditions in many parts of Scotland have been the worst for over a century; September was wetter even than the months which preceded it and the situation which you saw for yourself in early September deteriorated still further thereafter. Against that background there are two points which I would like to stress.

First, the seriousness of what has happened particularly in Scotland and to varying degrees in certain other parts of the North and West of the UK which has put in jeopardy the livelihood and futures of many producers must be reflected in the size and the shape of any package of aid. We will not be able to - nor should we - help everyone who has suffered loss but we must be seen to be assisting sectors and areas where the greatest damage has occurred. If we fail to do so there will be a severe penalty - in terms of legitimate grievance and political damage - to pay in the months and even the years ahead.

Second, we must be seen more clearly than has been the case so far to be making our case to the EC for their understanding and assistance wherever it can appropriately be given. I appreciate the difficulties in this, but the contrast between the stance taken in the Community by the Irish, and more recently by the French, and the relatively restrained position of the UK, despite the fact that conditions here are now quite widely recognised as at least as bad as anything that has happened anywhere this year, is difficult to defend and explain. I consider therefore that we should make, and be clearly seen to be making, a direct approach to the Commission to discuss possible measures of assistance. The important thing is to protect our own backs by being seen to be doing this, almost regardless of the outcome; we shall I hope be able to demonstrate the UK Government's concerned action whatever the outcome.

E.R.

I have one particularly acute problem area which you will recall from your farm visits in Scotland last month, that of the producers who grow hay as a cash crop in the Carse of Stirling. I am having the position examined at the moment but it is already clear that losses from the 100 or so farms in the area will be well in excess of £1m, some say more than £3m. If we cannot include the arable sector in our domestic aid package, it seems to me that this case is one at least which we can submit to the Commission for their consideration as a one-off disaster area.

I am copying this letter to Michael Jopling, Nicholas Edwards, Tom King and to John MacGregor.

C.Y.