

PRIME MINISTER

A U A L S R E
ALTERNATIVE USES OF AGRICULTURAL LAND AND SOURCES OF RURAL EMPLOYMENT

(Otherwise known as ALURE) ! ?

During an earlier discussion on the CAP you commissioned a report on alternative uses of agricultural land and alternative employment in the countryside. An interdepartmental report has now been produced.

This proposes a wide range of measures to help the rural economy, including encouragement for a major increase in the planting of trees, increased effort to assist diversification and some relaxation in current planning policies. The proposals have a price, and Mr. Jopling has bid for £10-20 million of new money for 1987/88.

No
Lord Young has minuted in favour of some of the proposals. Mr. Ridley is more doubtful. Others have yet to comment. Norman Blackwell's minute below raises fundamental questions about the whole approach.

This subject does not fit squarely either in E(A) or OD, and it may be better to hold an ad hoc meeting. I suggest:

- Lord Whitelaw
- Foreign Secretary
- Chancellor of the Exchequer
- Mr. Tebbit
- Mr. Jopling
- Mr. Ridley
- Lord Young
- Chief Secretary.

There is also a question whether to invite the Secretaries of State for Scotland, Wales and Northern Ireland. To do so would weight the meeting towards agriculture. But it would, I

think, be difficult to keep them out: Mr. Rifkind has primary responsibility for forestry, and once he is there, Wales and Northern Ireland cannot really be kept out.

Agree to a meeting as above, including the territorial Ministers? *Yes me*

The meeting cannot possibly be held until after the Party Conference. Mr. Jopling shows signs in his minute of wanting to hint at action during his Party Conference speech. He also shows signs of hankering for some form of White Paper on agricultural policy of the kind he was prevented from promising this time last year. I suggest you should also say that the Report will need thorough discussion and there can be no question of indicating at this stage in public that the Government is considering proposals of the kind discussed in the interdepartmental report.

DK

No - Mr. Jopling

David Norgrove

has pre-empted the money -

30 September 1986

for dev't of the funds.

There isn't any more money.

No point in any meeting. We can't have more surplus (which he has planned) and more substituted into

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PRIME MINISTER

ALTERNATIVE USES OF AGRICULTURAL LAND AND SOURCES OF RURAL
EMPLOYMENT

FILE WITH COP

I have read Michael Jopling's minute to you of 22 September with interest. As he says, this is a subject which concerns a number of Departments, including mine, and my officials have participated in his Working Group.

I entirely agree with Michael that this is a major, and complicated, issue: and, moreover, one where it is extremely important that we present our policies in the best light and at the right time.

Michael Jopling suggests that a positive programme should be based on the recommendations of the Working Party's Report. But I am not sure that the Report carries us to a point from which we can yet move forward with any confidence. The Working Party itself recommended future work on several key issues. I would like to see a much better assessment of costs and benefits, and a clearer analysis of the sensitivity of trends here to adjustments in CAP.

Given the importance of the issue I should welcome a discussion with colleagues in due course. I am obviously concerned with the implications of any change of direction on environmental and planning matters. And doubtless colleagues from other Departments will also have policy interests.

/ I am copying this to the recipients of Michael's minute.

Isobel R. Ogilvie (Private Secretary)

(Approved by the Secretary
of State and signed in
his absence)

NR

30 September 1986

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DN
I imagine we are waiting for further husband comments CAP

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PRIME MINISTER

ALTERNATIVE USES OF AGRICULTURAL LAND AND SOURCES OF RURAL EMPLOYMENT

The Minister of Agriculture minuted you on 22 September suggesting action to promote economic activity in rural areas in the light of the continuing need to contain agricultural production.

I am quite sure that it is right for us to act, and to be seen to be acting, decisively in this area. And although the details are sure to depend to some extent on developments in Brussels, there is I think a need for urgent action on the domestic front, regardless of developments in relation to the CAP.

My officials were involved in the working party and I am grateful to the Minister of Agriculture for the way in which he has sought to reconcile the different views that were inevitably expressed. Can I offer the following comments on his recommendations, which I broadly welcome.

We must, I think, focus as much as possible on giving private enterprise the opportunity to flourish by removing unnecessary barriers, rather than looking to subsidy or direct intervention as an answer.

Personally, I see the key recommendation as being the commitment to some relaxation of planning policy in relation to agricultural land. The issue here is not one of whether to safeguard the environment, which the planning system would quite rightly continue to do. It is rather the way in which the current planning arrangements build in an additional

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protection for agricultural land (over and above the economic value of that land), distorting the market and preventing an efficient allocation of resources.

It is impossible to quantify the precise effect that changes might have on the rural economy, but I believe that the eventual employment effect could be quite substantial - with much of it being linked to recreational activity and the development of tourism (which of course itself depends to a great extent on effective conservation). As the Minister of Agriculture says, we need positive measures to help employment, not mere platitudes.

I would very much welcome the opportunity to participate in future discussion of these proposals. I shall be asking my officials to contribute to the action that is agreed as a matter of urgency. In particular, the suggested policy document could usefully seek views on a revision of the current circular on the protection of agricultural land.

Finally, as I have already mentioned to the Minister of Agriculture we will need to think very carefully indeed about the public presentation of any changes in policy. I am convinced, however, that with careful handling the benefits of an enterprise approach will be generally welcomed.

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I am copying this to the Minister of Agriculture, the Lord President, the Secretary of State for Foreign and Commonwealth Affairs, the Chancellor of the Exchequer, the Secretaries of State for Wales, Northern Ireland, Scotland, Environment and Trade and Industry, the Chancellor of the Duchy of Lancaster, the Chief Secretary and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be "R. J. G." or similar, written in a cursive style.

DY

29ⁿ September 1986

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CCBG

Ref. A086/2721

PRIME MINISTER

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Alternative Uses of Agricultural Land and Sources of Rural
Employment

FILE WITH CDP

The Minister of Agriculture, Fisheries and Food sent you a minute on 22 September with recommendations for colleagues on this wide-ranging subject. The work which has been undertaken in the interdepartmental working party stemmed from a discussion which you chaired with a limited number of Ministers (the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Minister of Agriculture, Fisheries and Food). The subject matter is not fully appropriate to E(A) or OD and I would suggest, therefore, that if there is to be a discussion with your colleagues about these points this should again be taken forward in an ad hoc group of Ministers under your chairmanship.

2. I would suggest that those who might be invited are the Lord President of the Council, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Chancellor of the Duchy of Lancaster, the Minister of Agriculture, Fisheries and Food, the Secretary of State for the Environment and the Secretary of State for Employment. You will wish to consider whether also to include the "territorial" Secretaries of State, and in particular the Secretary of State for Scotland: to do so would enlarge the meeting considerably, but as Agriculture Ministers they have a direct interest.

RA

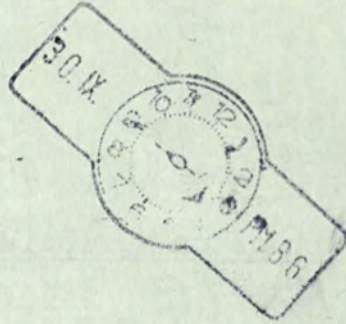
ROBERT ARMSTRONG

29 September 1986

Euro POC

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CONDIMENTOR