PRIME MINISTER

This is advice from Sir John Hunt about the various interests of the Agriculture Ministers.

Peter Walker's letter at flag A points to the farming interests of all four Ministers, and their membership of N.F.U., C.L.A., etc. Sir John advises that there are no problems on these points, subject to your requiring the Ministers to declare their interest if a question arises, e.g. perhaps in discussion of an aspect of taxation policy, which bears upon a Minister's particular circumstances.

Mr. Wiggin's letter at flag B presents no difficulty in respect of Lloyds, but Sir John advises firmly that Mr. Wiggin should be asked to resign his directorship in Wiggin Farms Limited, although he may retain his shareholding. Mr. Wiggin observes that his company's tax problems will apparently be exacerbated by his giving up the directorship. Sir John does not consider that this justifies a different decision, but proposes that you ask for further information about these problems to avoid any risk of embarrassment in the future.

Agree to respond to these various declarations of interest as in Sir John Hunt's advice?

MAP

Accept Sir John's advice — can Terry Wiggin advise us further privately (have said with Lawson or Peter Rees) about the accounting point on his directorship not

6 July 1979

Ref. A09913

MR. PATTISON

Flags A+B

You asked for advice on the letters of 18th June to the Prime Minister from the Minister of Agriculture and from Mr. Jerry Wiggin, Parliamentary Secretary at the Ministry, about private interests. These letters seek the Prime Minister's agreement to a number of different aspects of the private interests of the Ministers at the Ministry of Agriculture. This minute deals with each in turn, beginning with Mr. Peter Walker's letter.

All four Ministers have farms. Can they retain these?

As Mr. Walker suggests, it is not unprecedented for Ministers in that Ministry to have farms (e.g. Mr. Prior during the last Conservative Government). Indeed this might be regarded as a good qualification for the job. It is probably unique, however, for all the Ministers to have farms. Nevertheless, provided, as Mr. Walker proposes, the Ministers do not take an active part in the running of their businesses, any potential conflict of interest should be avoidable. I therefore recommend that the Prime Minister raise no objection to the Ministers retaining their farms. Does Mr. Walker's letter fulfil the Ministers' obligation to declare their interest before any discussion of agricultural policy?

Paragraph 68 of Questions of Procedure for Ministers stipulate that any private interests retained should be declared to Ministerial colleagues if they have to discuss public business affecting that interest. It also says that the Minister should remain entirely detached from the consideration of that business. It would be a nonsense for the agricultural Ministers to detach themselves from consideration of all business that might bear on their farming interests. On the other hand, one cannot rule out a particular situation arising in which it would be appropriate for a Minister's particular interest to be declared. I therefore recommend that the Prime Minister indicate that she accepts that the Ministers need not take any further steps to declare their interest, so far as their general position as farm owners is concerned, but that she considers they should still declare their interest if a question arises e.g. in respect of a discussion on some aspect of taxation policy which bears upon a Minister's particular circumstances.

May the Ministers remain members of the National Farmers' Union or the Country Landowners Association?

Again there are precedents for this. Mr. Prior remained a member of the NFU whilst Minister of Agriculture, and Lord Ferrers a member of the CLA when he was last a junior Minister in the Ministry. On the other hand, consumer interest is increasingly given more weight than previously in discussion of agricultural matters, and as Minister for Food, Mr. Walker should not be seen as spokesman for the NFU. It is also unusual for Ministers to retain an interest of this kind with bodies which are intimately connected with the activities of their Department. On the other hand, the fact is that all four Ministers are farmers, and that all farmers are assumed to be (and indeed virtually all are) members of the NFU (or the CLA). I doubt if obliging them to resign from the NFU or the CLA would be regarded as a significant move in distancing them from their farming interests. I therefore recommend that the Prime Minister agree to continue membership of these organisations by the Ministers, provided, as Mr. Walker proposes, the Ministers refrain from any active association with their views or activities.

Can Lord Ferrers remain President of the East of England Agricultural Association?

This seems to be an honorific title with no obligations of an executive character in a body with very limited functions. I recommend that the Prime Minister agree to this.

I now turn to Mr. Wiggin's letter.

Can Mr. Wiggin remain a "name" at Lloyds?

Mr. Wiggin says that he takes no part in managing the affairs of his syndicates and that he is no longer involved with the one syndicate which has farming connections. I recommend that the Prime Minister agree to Mr. Wiggin remaining a "name".

Can Mr. Wiggin remain a Director of, and Shareholder in, Wiggin Farms Limited?

Questions of Procedure for Ministers (paragraph 70) is categorical that Ministers must on assuming office, resign any directorships whether in public or private companies, other than in private companies established for the maintenance of private family estates and only incidentally concerned in trading. These guidelines have been published and I do not believe that it is possible to exempt a

Minister from published guidelines particularly in respect of a private interest in an activity which is so closely related to his Ministerial responsibilities. Moreover, as a Director, Mr. Wiggin must presumably involve himself in active direction of the company in a way which would be incompatible with his position as a Minister. I therefore recommend that Mr. Wiggin should be asked to resign his Directorship.

There is no rigid rule that a controlling interest in a company must be disposed of by a Minister, but this must occur if there is any danger of a conflict of interest. You will recall that Mr. Mitchell of the Department of Industry was obliged to put his shareholding in his family firm in Trust because of his general responsibility for small firms but that Mr. Marshall was allowed to retain his shareholding in a family firm because his responsibilities would not directly bear on its activities. It is unlikely that Mr. Wiggin's Ministerial activities will bear directly on the fortunes of Wiggin Farms Limited. I therefore recommend that Mr. Wiggin be permitted to retain his shareholding.

Mr. Wiggin says that his Accountant has advised him that either transferring the shares or giving up the Directorship would greatly exacerbate problems which the company is having with the tax authorities. This does not alter the advice set out above but I think the Prime Minister would be justified in asking Mr. Wiggin for further information on these problems on a private basis so that she can satisfy herself that there is no risk of any embarrassment in the future.

(John Hunt)

5th July, 1979

✓ MAP Ministers

Ministry of Agriculture, Fisheries and Food
Whitehall Place
London, S.W.1

From the Parliamentary Secretary's office

24 July 1979

Mike Pattison Esq
Private Secretary
10 Downing Street
London SW1

Dear Mike

Thank you for your letter of 9 July about my Minister's private interests.

Mr Wiggin is grateful to the Prime Minister for her consent that he should remain a "name" at Lloyd's on the basis proposed, and that he should retain his shareholding in Wiggin Farms Limited.

As regards Mr Wiggin's directorship of Wiggin Farms Limited, he will in compliance with the Prime Minister's wishes, resign this position.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

Yours sincerely

Stan Sadowski

S Sadowski
Private Secretary

FILE

B/F 2.7.79

MR. VILE
CABINET OFFICE

Could I please have your advice on a further request to remain a "name" at Lloyds, this time from Mr. Jerry Wiggin. You are already considering his agricultural interests, which were raised in Mr. Peter Walker's approach on behalf of all the Agriculture Ministers.

M. A. PATTISON

25 June 1979

cc CO HS
Ministers
cc Ian Gow

10 DOWNING STREET

From the Private Secretary

9 July 1979

The Prime Minister has seen your Minister's letter of 18 June.

She is content that he should remain a "name" at Lloyd's on the basis proposed.

She is also content that he should retain his shareholding in Wiggin Farms Limited. She does not, however, feel that his position as a Director of that company is compatible with his position as a Minister, and she would wish him to resign this position. She has noted the advice of Mr. Wiggin's accountant that this might exacerbate problems which the company has been having with the tax authorities, and she would like further private advice from Mr. Wiggin about the nature of these problems. Perhaps Mr. Wiggin could have a word with Ian Gow, the Prime Minister's Parliamentary Private Secretary, at a suitable moment.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. A. PATTISON

Stan Sadowski, Esq.,
Ministry of Agriculture, Fisheries and Food.

cc ~~MJ~~ Vile

10 DOWNING STREET

From the Private Secretary

9 July 1979

The Prime Minister has now considered your Minister's letter of 18 June, seeking instructions on his farming interests and those of his colleagues.

She sees no difficulty in the Ministers retaining their interests on the basis set out in Mr. Walker's letter, and she is content that they should retain their membership of representative bodies. She is also content that Earl Ferrers should remain President of the East of England Agricultural Association.

In respect of the Ministers' general position as farm owners, the Prime Minister would still wish them to declare their interest if a question arises, for example in respect of a discussion on some aspect of taxation policy, which bears upon a Minister's particular circumstances. In respect of their membership of representative bodies, the Prime Minister would wish them to refrain from any active association with the views or activities of these bodies.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

MAP

G.R. Waters, Esq.,
Ministry of Agriculture, Fisheries and Food.

DS

B/F 26-6-79

MR. VILE
CABINET OFFICE

I would be grateful for advice on the enclosed declaration of interests by Ministers at Agriculture.

M. A. PATTISON

19 June 1979

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Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1

From the
Parliamentary
Secretary

18 June 1979

The Rt Hon Margaret Thatcher MP
Prime Minister
No 10 Downing Street
London SW1

Dear Prime Minister,

I have read 'Questions of Procedure for Ministers'.

I have for many years been a "name" at Lloyds and write a broad section of business on a number of syndicates. I have ceased underwriting in a livestock syndicate, and I take no part in managing the affairs of any of the syndicates of which I am a member. I hope very much, therefore, that I might continue with my Lloyds activities.

Peter Walker has written to you on the general question of farming interests. I would in addition, like your approval for me to continue my Directorship of, and Shareholding (99 of 100 £1 shares) in Wiggin Farms Limited. This company has until now, been the vehicle for my farming activities and the recipient of consultancy or other fees earned by myself. Since the latter obviously ceased on my appointment the company will be almost dormant but it will not fall precisely within the permitted class of exemption as laid out in Questions of Procedure. My accountant advises me that transferring the shares or giving up my Directorship would greatly exacerbate problems which the company is having with the tax authorities. Since my farming activities are confined to a partnership where my partner takes all the management decisions, provides the capital and has 90% of any profits I cannot see that there will be the remotest chance of a conflict of interest or even the appearance of such conflict beyond that dealt with in Peter's letter. I have discussed this matter with him and he supports my approach.

Yours ever

Jerry

JERRY WIGGIN

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B

cc MJ Vile

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London SW1

18 June 1979

Dear Prime Minister,

My junior Ministers and I have studied the paper on Questions of Procedure for Ministers which was circulated last week. It does not lay down clear or explicit rules on farming interests, and we have therefore to be guided by the precedents. I thought that you should know of our conclusions, in case you wished in any way to dissent from them.

All four of us have farms. The precedents suggest that there is no objection to our retaining them, provided that we do not ourselves take an active part in running the farm business. We shall all of us take care not to do so. I hope you will regard this letter as fulfilling our obligation to declare our interest before taking part in any discussion of agricultural policy.

We are also members of representative bodies such as the National Farmers' Union or Country Landowners' Association. Again the precedents suggest that membership may be retained, so long as we refrain from any active association with the organisations' views or activities. We propose to follow this course.

Finally, Robin Ferrers is President of the East of England Agricultural Association, which runs the East of England Show. He would like to retain this office, which is of course unpaid and does not involve active participation in the running of the Show or the other business of the Association. This seems to me to be unexceptionable. Any invitations to accept similar positions in future will of course be declined, but the retention of such an office when it is already held seems to me to be a different matter.

Yours ever
Peter

PETER WALKER