



From the Minister

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

PRIME MINISTER
TO SEE PLEASE

The Rt Hon Michael Jopling MP
Government Chief Whip
12 Downing Street
London SW1

3 March 1981

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Michael

Thank you for your minute concerning the meeting you had with the Officers of the Agriculture Committee.

On the same day as you met the Officers, I met the leaders of the Farmers' Unions of England, Wales, Scotland and Ireland, and it was certainly the angriest and most desperate meeting I have had with them during the period I have been at the Ministry.

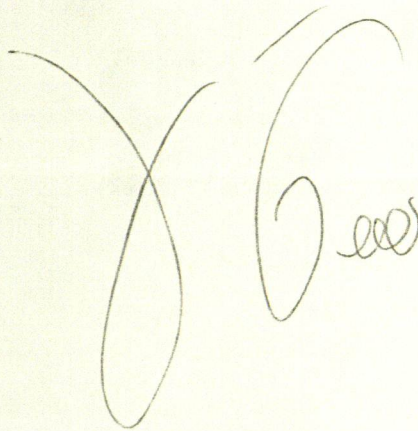
There is no doubt that the pressures in the Branches of the NFU, after such a substantial drop in income, are considerable, and there is a fast increasing fear that the banks will soon stop supporting some of those now heavily in debt. It is undoubtedly the much more militant mood of the NFU Branches that is communicating itself to the Parliamentary Party.

The other difficulty during this phase is that the Governments of other countries, even including Germany, are showing no hostility to the Commission's proposals other than the view that they are inadequate, whereas Britain, with one of the highest inflation rates and the biggest fall in farm incomes, is endeavouring to indicate that the price increases suggested are too large.

Even the German Minister, in spite of their new budgetary burdens, openly and publicly expressed that there was no way in which Germany would agree to the green mark devaluations suggested by the Commission.

I will be putting a paper to OD(E) in the next few days analysing the domestic scene and the potential negotiating position in these coming weeks.

I am copying this to Sir Geoffrey Howe and Ian Gow.

A handwritten signature in dark ink, consisting of a large, stylized 'P' followed by a large 'W' and a smaller 'K' with a flourish.

PETER WALKER