



Prime Minister

B

This is as expected.

Agree with Mr Biffen's
proposals for
handling?

Treasury Chambers, Parliament Street, SW1P 3AG

Yes no

R

23/7

PRIME MINISTER

LIQUID MILK PRICES

I have seen Peter Walker's minute to you of 18 July suggesting a discussion of liquid milk prices either in Cabinet or an appropriate Committee.

2. This is clearly a major matter, involving a number of important policy issues, which will need careful consideration. But, before we meet at Ministerial level, I would like to suggest that we initially remit the subject to officials to consider the detailed factual background, for example the implications for farmers' and distributors' incomes. I think it is important that, if we are to be able to focus on the key points of policy, the factual position should first have been cleared between officials, as has been done in the past. You will recall that I made a similar suggestion for an initial remit to officials earlier this month when Peter wrote to you about the problems of the fishing industry.

3. If you agree with this approach I would suggest that my officials should first meet with those of Peter Walker and John Nott, and that there then might be a meeting in an appropriate Cabinet Office Committee at official level. I recognise that this may mean it will not be possible for us to implement any decision by 3 August, the date proposed by the dairy trade and included in Peter's possible options. But I do not see that we need to be constrained by that date.

4. I am copying this minute to members of the Cabinet and Sir Robert Armstrong.

W. J. B.

JOHN BIFFEN 23 July 1980