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MAD

PRIME MINISTER 2.
You asked Sikes to look at this.

FROM SIR LEO PLIATZKY

CONFIDENTIAL

MR PATTISON

EGGS AUTHORITY

I think the Prime Minister is worried about the decision may offend 'small' producers. The majority of them are on the way to bankruptcy. He thinks it is indispensable. Mr Walker disagrees. You could take it up again when Sikes's report is submitted. MAD 24/1/51

1. I think I should let you know that, though I have come to an increasingly firm view that the Eggs Authority should be wound up, the Minister of Agriculture is not ready, I understand, to commit himself to that course. The Eggs Authority will not, therefore, be listed in my report as one of the bodies to be wound up.
2. The approach adopted in the report is to bring together decisions by Departmental Ministers, some of them previously announced and others which will be made public for the first time in the report; it will be for each Minister to justify his decisions to abolish particular bodies and to retain the rest. I will not publicly be making recommendations on particular bodies which are not acceptable to Ministers, though I will suggest some general guidelines for the future which have still to be considered by Ministers. May I, however, set out for the record some of the considerations involved in this case.
3. The Eggs Authority is largely financed by levies on producers, with some money from the Department, and its principal activity is "generic" advertising of eggs, as distinct from advertisements for a particular firm's eggs. The scheme is disliked by the bigger producers but has support among the small producers.
4. The Minister is not wedded to keeping the Authority in existence indefinitely but, if it is to be wound up, he would prefer it to be done without a great deal of protest from the small producers. He is therefore exploring the possibility of a voluntary scheme for collective advertising, but meanwhile is unwilling to adopt a formula of the kind agreed in the case of the National Ports Council; this involves announcement of a decision in principle to wind the body up, but the aim is to implement this decision on the basis of satisfactory voluntary arrangements.
5. The Ministry of Agriculture seem to me to be adopting rather different standards from some other Departments. The Department of Industry have readily agreed on the winding up of the Furniture Development Council, the last of the statutory levy-financed Development Councils for manufacturing industry for which provision was made after the war. The Ministry of Transport, as I have said, have agreed to a formula for the winding up of the levy-financed National Ports Council.

6. The Ministry of Agriculture, on the other hand, intend to maintain a couple of other levy-financed bodies besides the Eggs Authority. Although I have not been able to go into these cases in the same detail, I am inclined to believe, mainly on the basis of the written material which I have had, that the Home Grown Cereals Authority at any rate is an unnecessary piece of bureaucracy which could be wound up with some incidental saving of public expenditure. As regards the Eggs Authority itself, though I can see the presentational advantage of a voluntary arrangement if one could be negotiated before a decision on winding up is announced, I do not think that the decision should be conditional on such an arrangement. Of course agriculture is treated as a special case in most countries. It is, incidentally, an area of policy in which I have had a good deal of involvement over the years, and I accept that in some respects it does require special arrangements, but not to the extent of using state power for the rather trivial purpose of coercing producers into collective arrangements for television advertising. It is quite likely that there will be a political row about the levy quite soon anyway.

7. However, the Minister of Agriculture, who has extended every facility and courtesy to me in this matter, has formed a political judgment which leads to a different conclusion on at any rate the immediate handling of the matter. When my report as a whole is being considered, the Prime Minister will no doubt have in mind the possibility of following up this exercise in the future, on which I will make some suggestions. If the Ministry of Agriculture bodies are retained for the time being, I suggest that the possibility of winding them up as part of such follow-up action should be pursued. Meanwhile my report will merely say something to the effect that the future levy arrangements for the Eggs Authority are being reviewed.

8. I am sending copies of this to the Private Secretary to the Minister of Agriculture, to Sir Ian Bancroft, Sir Robert Armstrong and Mr Brian Hayes.

h.p.

LEO PLIATZKY

29 November 1979

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Govt machinery

10 DOWNING STREET

From the Private Secretary

7 December 1979

Dear Sir Leo

The Prime Minister was interested to see your minute of 29 November about the Eggs Authority.

She has commented that the Minister of Agriculture seems to be worried that the decision may offend small producers, but that her guess is that the majority of them regard the levy as an intrusion in the way they conduct their business.

The Prime Minister has noted that, in your full report, you have included the Eggs Authority amongst those bodies which might usefully be given further consideration in a few months time.

I am sending copies of this letter to Garth Waters (MAFF), David Laughrin (CSD), A. G. Kuyk (Private Secretary to the Permanent Secretary, MAFF), and to Martin Vile (Cabinet Office).

*Yours sincerely
Mike Paterson*

Sir Leo Pliatzky, KCB.

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