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DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5422
GTN 215)
(Switchboard) 01-215 7877

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Secretary of State for Trade and Industry

21 April 1986

The Rt Hon Michael Jopling MP
Minister of Agriculture,
Fisheries & Food
Ministry of Agriculture,
Fisheries & Food
Whitehall Place
London SW1

CDP
2/14

Dear Michael

EUROPEAN COMMUNITY: THE COMMON AGRICULTURAL POLICY

Thank you for sending me a copy of your letter of 14 April to Geoffrey Howe. *WILL REQUEST IF REQUIRE*

I am content with your proposal that we float in Brussels ideas on the lines you suggest for possible set-aside arrangements designed to tackle the problem of cereals over-production. In so doing, the linkage you rightly make with price restraint is central. Any cost-effective set-aside scheme must be aimed at securing greater price restraint than would otherwise have been negotiable. A set-aside scheme must not be seen as a substitute for action on prices - otherwise we run the risk of paying twice. We will therefore need to examine very carefully the parameters of any scheme (e.g "one-off" or "roll-over"?) that emerges out of talks in Brussels, and I welcome your suggestion of further discussions by officials as our ideas develop.

I am copying this letter to the recipients of yours.

[Handwritten signature]
[Handwritten signature]

PAUL CHANNON

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BOARD OF TRADE
BICENTENARY

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