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MINISTER OF AGRICULTURE, FISHERIES & FOOD

European Community: The Common Agricultural Policy

1. Thank you for your letter of 14 April, enclosing a copy of your paper describing a set-aside scheme for taking land out of cereals production and seeking agreement that we put forward the key principles underlying such a scheme. *WILL REQUEST IF REQUIRED*

2. I think your paper is an imaginative and helpful contribution towards solving the problems of over-production in the most important sector of the CAP. I hope very much that a set-aside scheme such as you suggest can be made to work. As you say, further analysis of the variables is needed before we can finalise the details of a scheme and I hope that we can proceed very quickly on this.

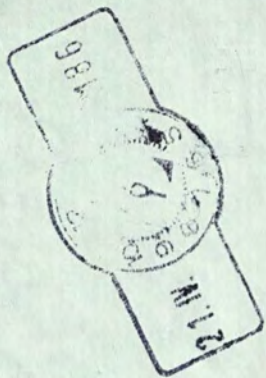
3. I note that our idea was aired in the High Level Group this week. I am sure we should continue to advance the merits of a scheme on the lines you propose even if it is not agreed immediately. In particular, it is a proposal we can pursue during our own Presidency. As you say, the crux is the link between set-aside and a restrictive price policy. We will need to give a firm steer to the Commission on the type of set-aside which we want to see. That in turn will depend upon a clearer assessment of the robustness of the scheme in relation to UK interests, at which we must look closely.

4. I am copying this minute to the Prime Minister, to members of OD(E) and to Sir Robert Armstrong.

Foreign & Commonwealth Office  
21 April 1986

GEOFFREY HOWE

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