# PREM 19/234

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PART 2 ends:-

Pm to mitchell MP 7.5.80

PART\_\_\_\_\_\_\_begins:-

Boyd Line to PM 9.5.80

## **Published Papers**

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

House of Commons Hansard 14/02/80 European Community (Common Fisheries Policy) Columns 1778-1914

House of Commons Hansard 13/03/80 Fishing Industry (Financial Assistance)

Signed Mayland Date 8 April 2010

**PREM Records Team** 

Dear Mr. Mitchell

You wrote to me on 22 April on behalf of the Grimsby Fishing Industry Committee asking that I receive a deputation from Grimsby before any decision is made on aid for Hull.

As you will know I met a deputation representing the

As you will know I met a deputation representing the fishing industry in Hull on 24 April. I was then told about the plans which are being developed in the City to keep the Hull Fish Docks open. This is clearly an appropriate area for local initiative based on the knowledge and judgment of those involved with the work of the port, potential users of its facilities and the British Transport Docks Board.

At the same time I fully understand your point that if special Government aid were to be given to Hull this would have implications for other ports, including Grimsby, and I have noted the detailed arguments which you use to support your views. In the circumstances I do not think that a meeting to develop the arguments is necessary.

Yours sincerely

MT

Austin Mitchell, Esq., M.P.

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NEWS SERVICE

· (No Manden's won)

Release time: Immediate/Thursday, 26th April, 1979. GE725/79

The Rt. Hon. Margaret Thatcher Leader of the Conservative Party

STATEMENT ON FISHING POLICE

The fishing industry is an essential part of the British economy, particularly in Scotland. It is a vital source of food and provides jobs for thousands of people both at sea and on shore, often in small communities that rely totally on fishing for their livelihood. The Conservative Party is committed to defending to the full the interests of Dritish fishermen, and restoring stability and optimism to its future.

Despite this Government's boasts, they did not renegotiate the fisheries policy at all before recommending a 'Yes' vote in the 1975 Duropean Referendum.

This matter is now urgent because of the time limit of 1982 set down for reaching agreements. However, in spite of that time limit we should not be prepared to agree to terms which were disadvantageous to our fishing industries.

We shall make fishing top priority in our EEC negotiations.

The proposals we have so far received from the EEC have been totally unacceptable. Our European partners must accept three fundamental facts.

- That the move to 200 miles limit since we joined the Community has changed both the entire international situation and our own circumstances.
- that our waters contain more fish than the rest of the Community put together

25/75 HATCHER

we must have an agreement to a comprehensive policy on conservation. This should include: - (i) a limit on the total allowable catch. (ii) a clear set of rules to control the amount of fishing and the methods used. (iii) recognition that the coastal state must have sole responsibility for control over their waters, since they alone have the knowledge, the capability and will to enforce conservation rules. (iv) conservation rules which are enforced against fishermen from all nations and not just against British fishermen alone. (v) measures which are specially designed to protect the rights of in-shore fishermen.

ddition our negotiating aims will be for:-

- . an adequate exclusive zone.
- a further considerable area of preferential access.
- 3. a control system which enables us to police our own waters.
  - Britain must have a very substantial share of the total allowable catch which takes account of the fact that we are contributing most of the water and most of the fish.

further conservation measures will be taken by Britain acting on her own if we cannot get agreement upon these points.

Fishermen will find a true and determined friend in the next Conservative Government.

END

Loubal pridate

SUMMARY RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND A DELEGATION FROM KINGSTON UPON HULL HELD AT 10 DOWNING STREET AT 1630 HOURS ON THURSDAY 24 APRIL 1980

Present:-

Subject file PM - April 80 - My with Carris,

The Prime Minister

Minister of Agriculture, Fisheries and Food

Minister of State, Ministry of Agriculture (Mr. Buchanan-Smith)

Mr. B. Ingham

Mr. M.A. Pattison

Mr. J. Prescott, MP

Mr. D.K. Cairns, Regional Secretary, TGWU

Mr. A.S. Cook. Chairman, Hull Fish Merchants Protection Association Ltd

Mr. T. Boyd, Chairman, of Humber Freezer Trawler Owners Co. Ltd.

Mr. R.K. Dalton, Secretary to Humber Freezer Trawler Owners Co. Ltd.

Mr. P. Doyle, Leader of Hull City Council

Mr. M. Owston, Chairman of Fish Porters' Committee

Mr. Holden

Miss A. Philp, Secretary for the Hull delegation

The Prime Minister opened by expressing her sorrow on the news of the death of the Lord Mayor.

Mr. Cairns apologised for the absence of the Conservative Members from the area, Messrs Wall and Townend, who were abroad. Since the Prime Minister's visit to Humberside on 14 March, all the City interests had been working hard both to keep their landing facilities alive and to prepare a prospectus to stand up to Ministerial scrutiny. In that period, the various interests had created the basis for a company spanning the industry and political spectrum. Its future existence should be a firm commitment within a week. There had been a meeting with

Canadian representatives, meetings with the City fathers and meetings with the owners and merchants. Major problems still existed over the dockers and de-casualisation. He and Mr. Prescott had had a meeting with representatives of the British Transport and Docks Board (BTDB). They had pressed for an understanding that the landing facility must be keptopen over the next two months if there was to be a chance of making Hull a going concern.

Mr. Cairns asked four of his colleagues to explain the position from the view point of their sectors. Mr. Boyd argued that no other EEC fishing port was likely to go out of existence if Hull did collapse before a Common Fisheries Policy (CFP) had been negotiated. The UK negotiating and capital base would be vastly reduced. At present, Britain had very little fishing capacity compared with the Germans and Dutch. Those Governments and others appeared to be turning a blind eye to undertakings and commitments. MAFF had asked for information on cheating which the industry provided. Further public evidence had become available, for example on the scale of the herring catch elsewhere in Europe whilst it remained nil here because MAFF forbade landings. Ships could not pay without a catch. The French "prosecutions" seemed to be window dressing, with no effect even on those who were prosecuted. Whilst the Government could not change French practice, they must be aware of their style of operation. The British historic catch was fast disappearing given, for example, the growing scale of the Dutch mackerel catch. Imports were pouring in this year destroying the domestic market, and involving much illegal catching. The Government had provided some subsidy, as a result of the sterling efforts of the Agriculture Ministers following their discussions in December and February. But an amount of 10 times the sum provided would have barely been an adequate operating subsidy. It was desperately important to keep open the dock until progress was made on the CFP. If the dock was likely to be closed or made inoperative by high charges, the proposed landing company needed the right to buy it, and Government financial assistance - possibly from inner city development funds - to make the purchase.

Mr. Boyd

Mr. Boyd concluded that the UK had to date been offered 22 per cent of EEC resources. The value of the UK resources were perhaps f700 million: the EEC would benefit to the tune of f500 million at 1978 prices. With such valuable resources, the UK could reasonably go for 45 per cent of the total resource.

Councillor Doyle stressed the importance of the dock to the City. With 10.6 per cent unemployment the consequences of the closure for allied industries would be enormous. Other fishing centres on the East coast such as Bridlington also had a stake in the Hull fishing industry. Other plans, such as that for a centre for fishing excellence, were dependent on a continuing industry in the City. The City wanted the Government to make sure that the BTDB would give Hull the opportunity to continue operations until the CFP was settled. The tonnage landed since 14 March following a long period of no landings demonstrated the efforts being made in the City. The City were looking at the Fleetwood experience in running a fish landing company. The Council had no particular wish to get involved in such activities but had to look at all possibilities. This would be pursued during Lord Bellwin's visit the next day, in the context of inner city policy. The Council ought to be able to find some money but might need additional loan finance. They wanted an undertaking that all possible assistance from the Department of Industry and other Government sources should be available.

Speaking from the perspective of the fish merchants,  $\underline{\text{Mr. Cook}}$  said that marketing had become shaky in Grimsby and Fleetwood since Christmas. This was partly the consequence of imports and it was also partially the result of the absence of Hull landings. Fish marketing throughout the country was inter-linked: the smaller ports in Scotland relied on Hull as a cross-roads in their trade. A continued landing facility in Hull was essential especially in handling the peaks and troughs of the trade. The money required in the short term was relatively small.

/Mr. Prescott

Mr. Prescott, speaking across Party lines, emphasised that the issue was whether a landing facility continued to exist until June, regardless of whether there was a significant catch. Up to March, the Hull landing charges had been five-times those of Grimsby. In his view BTDB saw Hull as non-viable and intended to close it. He saw that judgement as the foundation of the problem. The April landings to date were well on the way to meeting estimates submitted by Hull, not those originally taken by BTDB. Hull was not simply asking for money. They had been making their own efforts, but with no landing facilities these efforts could not succeed. They recognised all the difficulties of resolving CFP issues by the end of June, but they had lived with these for sometime. But to remain in the game they must have a landing facility.

Following these initial presentations, the <a href="Prime Minister">Prime Minister</a> recognised that the basic issue was whether there would ever be enough fish to land at Hull. She had now had approaches from Fleetwood and Grimsby. She had been in touch with Sir Humphrey Browne of BTDB. He had explained the charging basis originally used. She understood that these had now been significantly revised, to be only slightly above those of Grimsby. The deputation reemphasised the problems caused by the month by month uncertainty of the charging basis.

In discussion of the problem of illegal fishing, Mr. Buchanan-Smith pointed out that the/could do little when the prosecutions were the responsibility of another country: nor could we claim that cheating was unique to other countries. Nevertheless, the German authorities had levied heavy fines which were having some effect. Only a CPP would bring about effective policing and other European countries were now recognising this. The next stage of the discussion would be on quotas. He hoped that this would get under way in May and detailed Commission proposals were awaited. There was no certainty that the negotiations would be concluded in June, but the June date was important because by then there should be an indication of whether a CFP settlement was likely, thus allowing those in the industry to begin to plan on a realistic basis.

/In further discussion

In further discussion, the Prime Minister noted that the April landings figures seemed likely to allow a continuation of the dock on the current charging basis for at least another month, and that the forecast of 7,000 tonnes of white fish landings in May offered the prospect of continuing through June. Although the deputation recognised that June would not in itself resolve their problems and that there were many other outstanding difficulties, there did seem to be a possibility of meeting their minimum target. She believed that Sir Humphrey Browne had been trying to be helpful, and she did not accept that he had been inconsistent or high-handed. She would write to him again, saying that she had seen the delegation and had been impressed by the resolve of all interests. She would say that she hoped it would be possible to maintain the landing facility through to June. In the meantime, she would expect the various interests to press fiercely within the Producers Organisation to get the maximum share of available funds.

MA



HOUSE OF COMMONS

Ref: AM/AB

The Rt. Non. Margaret Thatcher, M.P., The Prime Minister, 10 Dovning Street, LO:DON, SW1. 22nd April 1980. R23

Dear Mrs. Thatcher,

I have been asked by the Grimsby Fishing Industry Committee, of which I am ex-officio chairman as Borough Nember, to write to you to give the point of view of our port on the case being made by Hull for special aid to keep the Hull Fish Docks open.

Though the two ports are traditional rivals it is not part of our intention to harm 'Bull's prospects. Both ports have suffered havily from the severe blows which have befallen the whole fishing industry, first from the loss of distant waters and second from the increasing overfishing in the British waters produced by the open access policy and the inadequacy of quotes as a means of policing fishing. We can sympathise with a common problem.

However we are concerned that in the present difficult situation of the industry, steps should not be taken to shore up one port which will produce a set-back for the other. The indications are that the prospects of increased traffic which are being held out in Hull. will, in part at least, be traffic won away from Grimsby. Naturally as a port concerned for its own survival we will fight this trend. If it occurs it would have a severe effect on our own precarious recovery. We have attempted to compensate for the decline in domestic landings by opening up our port to foreign landings. These now bear a substantial proportion of our dock and labour charges. We are already in danger of loosing the bulk of our wet fish trawlers over 80 feet (eight went two months ago and the existence of the others is threatened). These vessels bear two fifths of the charges to domestic vessels so that if they go and our foreign landings also fall, a very heavy burden of charges will fall on the fleet of smaller vessels which we have taken such trouble to build up. Since these vessels are more footloose, increasing charges will mean an increasing trend for them to land at other ports outside the Dock Labour scheme where the market is rot as good but charges are substantially less. We would therefore emphasise our inability to stand any decline in foreign landings which might come through enhancing the competitive situation of Hull. We are already concerned by the preliminary indications that the temporary aid scheme will provide more aid to ports which have not made the efforts at recovery we have made and hence become a subsidy on failure rather than a fillip to success.

My committee have asked me to request you to receive a deputation from Grimsby before any decision is made on aid for Hull.

centinued ....

....continued

I hope you might feel free to agree to this.

Yours sincerely,

Austin Mitchell.



# GUILDHALL,

KINGSTON UPON HULL.

14th March 1980

Dear Prime Minister,

#### The Fishing Industry in Hull

On behalf of the City Council and after extensive consultations with all those concerned with the fishing industry, I have the honour to present our considered views about the prospects for maintaining the present fishing industry and the processing industries in this City. Your Government has now recognised the necessity to provide assistance during the interim period leading to the settlement of the Common Fisheries Policy and this is very much welcome. A statement, therefore, has been prepared showing the financial impasse which has been reached in the Fish Docks.

As you will see, your Government's assistance is considered necessary if these vital facilities are to be retained. The attached statement gives our assessment of the extent of the aid likely to be required for the period from the 1st April to the 31st December, 1980. It is based on certain assumptions -

- That charges for landing in Hull are 'competitive' with those at Grimsby.
- That the rates quoted could attract landings of c.46,500 tonnes without the Common Fisheries Policy settlement, (this includes 10,000 tonnes of 'Industrial Fish').
- Provided that an acceptable Common Fisheries Policy is agreed not later than June 1980, a further 12,500 tonnes could be landed in Hull in 1980.

<sup>\*</sup>Hull is 3rd largest Fish Processing Port in U.K.

- 2 -

#### The Fishing Industry in Hull

My City Council has discussed the contents of this statement in detail with the industry, and other parties directly concerned and recommends it to you and your Ministers as a basis upon which early discussions can be held to determine the level of aid necessary to retain the Albert and William Wright Dock as the City's Fish Dock. We must also add that in our case this is a most urgent matter as fish landings have stopped and the financial situation is, therefore, critical with the fixed operating costs mounting rapidly and the facility lying idle.

I trust that this letter, and the attached statement demonstrate to you that our problem merits immediate attention as we consider that this important industry should be sustained in both the local and the national interest.

I am pleased to have had this opportunity to present our case and trust that your Government will now implement its new policy to assist the fishing industry without any delay.

Yours sincerely,

Lord Mayor.

The Rt. Hon. Mrs. Margaret Thatcher, M.P., Prime Minister, 10 Downing Street, LONDON.

#### HULL FISH DOCKS

The information in this paper has been prepared in support of a case for the retention of fish landing facilities in the port of Hull and is presented under four main headings.

- 1. The net cost of operating the dock.
- 2. An estimate of vessel and fish throughput
- 3. Income receivable from the dock users.
- 4. The estimated shortfall in income.

The period covered is from the 1st April to the 31st December, 1980.

(1) The net cost of operating the dock.

The main item under this heading is derived from the British Transport Docks Board. The second item is based on figures the Hull Fishing Vessel Owners' Association would have used had it not gone into liquidation.

B.T.D.B net cost after allowing for sundry income	1,071,750
Other costs	19,875
	£1,091,625

- (2) Estimate of vessel and fish throughput Hull based vessels
  - (a) The 1980 quotas for Hull's distant water vessels are :-10,400 tonnes Cod 2,228 Haddock 1,215 Coley 4,289 Reds 11 Mock Halibut 835 Others 19,000 19,189 38 landings 19,189 tonnes

In addition to these, a further 3,500 tonnes of mackerel and blue whiting could be landed.
(6 landings) 3,000 3,500

	(b)	Additiona	l foreign landings :-		Ships (NRT)	Fish (tonnes)		
		Icelandic	vessels - 100 landings		22,500	10,000		
		Other Wet (Dutch,	Vessels - 120 landings Danish, French)		2,500	2,500		
		Norwegian	Freezers		1,600	1,600		
		Industria	l Fish		5,000	10,000		
					31,600	24,100		
	(c)	if an a	l landings in remainder of cceptable C.F.P. is agree in May/June					
		25 extra	landings		12,500	12,500		
		Summary	Total reasonable estimat landed 1st April to 31st 1980		66,100	59,289		
(3)	Inco	me receiva	ble from Dock Users		£	£		
	Building and Ground Rents - assuming all the present occupiers remain on the dock				71,250			
	Rents on vessels exceeding free time in the dock				10,000			
	Indu	Industrial Fish - charged at same rate as Grimsby						
		ips 5,000	NRT @ £2.89 14,450 tonnes @ .92 9,200					
		23,650				23,650		
	Charge on overland fish sold on the dock say 8,000 tonnes @ £2 per tonne			16,000				
					120,900			
	PLUS		from ship and fish dues -	- charged				
	EITH	ER						
	(a)	If NO CFI	is agreed by May/June	£				
		White Fis	s <u>h</u>					
			600 NRT @ £ 3.50 789 tonnes @ £10.50	170,100 386,284				
				556,384				
	OR							
	(b)	If an acc	eptable CFP is agreed by					

 White Fish
 Ships 61,100 NRT ⊕ £ 3.50
 213,850

 Fish 49,289 tonnes ⊕ £10.50
 517,534

731,384

Total expected income		
If NO CFP is agreed	677,284	
If a CFP is agreed by May/June		852,284
		<del></del>

£

£

### (4) Estimated Shortfall in Income

(a)	If NO CFP agreed	
	Costs as in Section 1	1,091,625
	Income as in Section 3	677,284
		414,341

(b)	If a CFP	is agreed	
	Costs as	in Section	1
	Income as	s in Section	1 3

 $1,091,625 \\ 852,284 \\ \hline 239,341$ 

£

The Prime Minister has asked me to thank you for your letter of 24 March.

She has now written to the Lord Mayor in reply to his letter of 14 March. She has covered in her reply the question of direct funding for the preservation of 'he fish landing facilities which you raised in your letter.

I enclose a copy of the Prime Minister's letter.

III A WHITELA

80

A.B. Wood, Esq.

#### 10 DOWNING STREET

e. MARK c/Dayle A& wood cryclerk)

THE PRIME MINISTER

18 April 1980

My dear Lord Mayor,

When we met in Hull on 14 March you gave me a letter setting out the City Council's views about maintaining the city's fishing and processing industries, and you enclosed with your letter figures showing the net cost of operating the dock and an estimate of income made on certain assumptions. These figures showed that there would be a significant shortfall between income and costs. Since my visit I have also received letters from Councillor Doyle, the Leader of the City Council, and from the Town Clerk.

As you know, a proportion of the aid for the fishing industry announced by the Minister of Agriculture, Fisheries and Food on 13 March will be available for use by the Fish Producers' Organisations Limited, in whose economic area Hull falls. They will be able to make a judgement in the light of their priorities about how far the money which will be available to them can be allocated in ways which would benefit Hull. I understand that they have not yet reached any final decisions. The programme of exploratory voyages which Peter Walker announced on the same day could also benefit trawlers which have traditionally been based in Hull.

/ I have now

The

I have now been asked by the Town Clerk in his letter of 24 March that other funds be made available directly for the preservation of the fish landing facilities in your City. When I discussed the situation with representatives of the fishing industry during my visit, I made it plain that I could give no undertaking about possible Government aid for any new scheme. But I did say that I would be ready to listen to any reasonable proposition about the future of the port and I have agreed to the request of Mr. David Cairns of the Transport and General Workers' Union that I should meet a deputation for a discussion on 24 April. No doubt any proposals which they may put to me will be based on up-dated estimates of the cost of maintaining the fish handling facilities and likely levels of activity and income.

I am sending copies of this letter to Councillor Doyle and to Mr. Wood.  $\hfill \hfill$ 

Yours sincerely,

MT

The Lord Mayor of Kingston upon Hull



#### 10 DOWNING STREET

THE PRIME MINISTER

When we met in Hull on 14 March you gave me a letter setting out the City Council's views about maintaining the city's fishing and processing industries, I have since received letters from Councillor Doyle, the Leader of the City Council, and from the Town Clerk.

As you know, a proportion of the aid for the fishing industry announced by the Minister of Agriculture, Fisheries and Food on 13 March will be available for use by the Fish Producers' Organisations Limited, in whose economic area Hull falls. They will be able to make a judgement in the light of their priorities about how far the money which will be available to them can be allocated in ways which would benefit Hull. I understand that they have not yet reached any final decisions. The programme of exploratory voyages which Peter Walker announced on the same day could also benefit trawlers which have traditionally been based in Hull.

I have now been asked by the Town Clerk in his letter of 24 March that other funds be made available directly for the preservation of the fish landing facilities in your City. When I discussed the situation with representatives of the fishing industry during my visit, I made it plain that I could give no undertaking about possible Government aid for any new scheme.

But I did say that I would be ready to listen to any reasonable proposition about the future of the port and I have agreed to proposition about the future of the Transport and General Workers' Union for a discussion on 24 April.

I am sending copies of this letter to Councillor Doyle and to Mr. Wood.

The Lord Mayor of Kingston upon Hull

PRIME MINISTER

#### The Hull Fishing Industry

When you saw the draft letter which MAFF suggested you should send to the Lord Mayor of Hull in response to his letter at Flag A, your reaction was that it was very cursory, bearing in mind the statistics which the Lord Mayor sent with his letter, and you asked whether the reply could not go into more detail.

I took this up with Mr. Walker's office, and they have now responded with some suggestions for slightly expanding the letter to the Lord Mayor. But they make the point that we cannot go very far in reply if we want to save the news that Hull can be given no specific aid until next week's meeting with the deputation which is being led by Mr. Cairns of the TGWU. I think that MAFF are right about this and I attach the revised letter for your signature. We ought to get this on its way tomorrow so that the Lord Mayor sees it reasonably well in advance of your meeting with the deputation on 24 April.

MW.



From the Minister's Private Office

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

17 April 1980

Clive Whitmore Esq Principal Private Secretary 10 Downing Street London SW1

Dear Clive

You rang me today about the draft letter for the Prime Minister to send to the Lord Mayor of Hull which I sent to you on 10 April. You said that the Prime Minister wished to flesh out the draft reply we provided to the letter she had received from the Lord Mayor about the future of Hull as a fishing port to take account of the figures he had sent her.

Garth Waters' letter to you of 26 March explained why we thought the Council's assumptions about throughput to be over-optimistic, drew attention to the fact that the fish dock could continue to operate only with the support of a continuing subsidy, and recorded the Minister's view that such a subsidy would not be justified. The British Transport Docks Board have temporarily reduced the landing charge for wet fish at Hull to the levels which prevail at Grimsby, but this has failed to attract traffic on anything like the scale the Council envisage in their figures.

If the Prime Minister agrees that we do not finally tell Hull that no specific aid is available before next week's meeting of the TGWU then there is little that constructively can be said about the Lord Mayor's figures without giving the game away. I would suggest, therefore, that the most we can do to take the Lord Mayor's figures into account in the draft reply is to alter it as follows:

(a) after the first sentence insert:

"... with which you enclosed/figures showing the net cost of operating the dock and an estimate of income made on certain assumptions. These figures showed that there would be a significant shortfall between income and costs."

and

(b) after the last sentence of the letter insert:

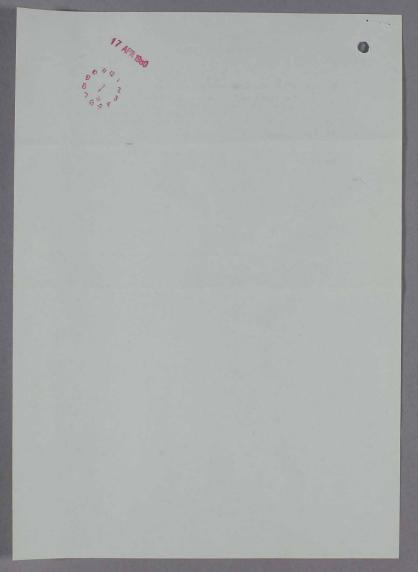
4

"No doubt any proposals which the may put to me will be based on up-dated estimates of the cost of maintaining the fish handling facilities and likely levels of activity and income."

I hope that the Prime Minister will find these amendments satisfactory.

Yours sincerely David Jones

D E JONES Assistant Private Secretary



PRIME MINISTER

#### HULL - FISHING

We now have at Flags A and B MAFF's advice on how you should respond to the Lord Mayor's letter at Flag C. The MAFF advice takes into account the other two letters from the Leader of the City Council (Flag D) and the Town Clerk (Flag E).

At Flag F is a draft letter for your signature to send to the Lord Mayor. We can send copies of it to the Town Clerk and the Leader of the City Council. Clive has already acknowledged the letter from the Council leader. We can send a short covering letter with the copy to the Town Clerk.

You also asked for comments on Mr. Boyd's figures (Flag  $\P$ ). These are contained in the MAFF advice at Flag A. Clive has acknowledged Mr. Boyd's letter on your behalf.

7

11 April 1980

It is a very coassy letter that beauty is mind the statestime that hay is a compared to Lord May is a configuration of why to letter is more detail?







From the Minister's Private Office

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

Clive Whitmore Esq 10 Downing Street London SW1

10 April 1980

Dear Clive

You wrote to Garth Waters on 27 March enclosing a letter from the Town Clerk of Hull in which he asks directly for funds to be made available to maintain the fish landing facilities in the city. It would clearly be right to take account of this in replying to the Lord Mayor's letter of 14 March. This means revising the draft which was sent to you by Garth Waters on 25 March. This I have done and I enclose a new text.

Nothing that has happened in the last two weeks would in any way lead my Minister to qualify his view, which was set out in the letter of 26 March, that there is no case for giving special assistance to Hull. If anything, it is more than ever evident that to do so would cause dismay in the rest of the fishing industry who would be only too ready to point out that there are better ways of using any Government money that might be available for this sector. And they would be right. My Minister's view is quite clearly that commercial considerations must be allowed to determine Hull's future role as a fishing port whether in respect of landings by UK vessels or by foreign vessels, but I assume that it would be premature to expose this position before the Prime Minister meets Mr Cairns on 24 April.

My Minister has also asked me to say that placing the emphasis in our dealings with Hull on the commercial logic of the situation only serves to underline the importance of safeguarding the whole competitive base of the UK fishing industry and the importance he attaches, therefore, to the ideas set out in the paper on energy prices and competition which he sent to the Prime Minister on 21 March.

You also said that the Prime Minister had asked whether the various statistics set out in the letter of 20 March which she received from Mr T W Boyd are correct. We have prepared a separate note on this which is enclosed.

Yours sincerely David Jones

D E JONES Assistant Private Secretary NOTES ON MR T W BOYD'S LETTER OF 20 MARCH 1980

THIRD COUNTRY FISHING

- 1. Mr Boyd's figures for cod and haddock apparently relate only to quotas at North Norway and ignore other UK distant-water quotas available elsewhere (eg in Canadian waters) which we estimate could total over 20,000 tonnes in 1980, albeit of mixed species.
- 2. The decline in North Norway quotas for cod and haddock reflects the decline in fish stocks. The United Kingdom has maintained its relative share of these quotas. Mr Boyd does not (understandably) draw attention to the fact that HMG had succeeded in negotiating distant water quotas for other species, which the industry has not caught. In this aspect, the UK industry's reaction has been different from that of the German distant water industry. The latter, having also experienced large losses of demersal fishing opportunities in distant waters (calculated by the EC Commission as being larger in relative (but not absolute) terms than UK losses), has successfully exploited other species such as redfish, catfish, etc, which are more prolific and abundant. In this way the German industry has been able to maintain the level of distant-water fishing to which Mr Boyd refers.
- 3. Mr Boyd appears to allege that a major part of the German distant-water catch is of Greenland cod, for which a ban on fishing is in force. German catch statistics do not support this assertion. A number of German vessels have been prosecuted successfully for illegal cod fishing off Greenland, but the German authorities have taken a responsible attitude towards enforcing the prohibition and have acted on information from the industry transmitted via United Kingdom Fisheries Departments.

#### FRENCH HERRING FISHING

4. Legal proceedings have been instituted against a number of French vessels for alleged illegal landings of herring in Boulogne at the end of last year. While the exact quantity of herring involved is not known, French authorities have indicated that it does not approach the figure of 30,000 tonnes mentioned. British fishery limits are regularly patrolled by fishery protection vessels but no evidence was found of illegal fishing for herring within our limits.

#### DUTCH MACKEREL FISHING

5. Whilst there do not appear to be quantitative restrictions operating on individual Dutch vessels in the mackerel fishery, the Dutch authorities have published by statute, an overall quantitative limit on Dutch landings of Western and North Sea mackerel in 1980.

#### CONTRIBUTION TO RESOURCES

- 6. Estimates based on official studies (which have not been officially released) give a United Kingdom overall "contribution to resource" of 60%. In 1978, the Commission proposed quotas for the United Kingdom totalling some 30% of the demersal species under quota and 38% of the pelagic species.
- 7. Estimates of long-term maximum sustainable yields made by Fisheries Laboratory, Lowestoft, suggest that for important North Sea stocks a total yield of 5.9 million tonnes per annum might be expected, assuming all stocks could be maintained simultaneously at their maxima. However, if stocks found in waters not under EC Member States' sovereignty or jurisdiction

- are excluded, the total yield falls to 4.1 million tonnes. In view of the uncertainties over future supply/price relationships, MAFF have not, as stated, estimated the value of this resource this has been done by the industry using average 1978 quay-side prices calculated by MAFF.
- 8. It would appear, therefore, that the industry have somewhat misrepresented the source of some of their statistics and have possibly overstated their case in financial terms. Nevertheless, the underlying basis of their case is not unreasonable.

#### SAINT PIERRE/MIQUELON/SKAGERRAK/KATTEGAT

9. In principle, these waters are regarded as "internal" waters, and therefore subject to the common access provisions of the existing Common Fisheries Policy. In the case of Saint Fierre and Miquelon - two islands off Newfoundland - uncertainties over median lines and the attitude of Canada who disputes the ability of these islands to generate a 200 mile fishing limit have in practice resulted in fishing being conducted only by those fishermen who have experience of the waters concerned. In the case of the Skagerrak and Kattegat, fishing is mainly conducted by Danish and German vessels. Quota allocations for stocks in these waters have yet to be agreed within the Community. The United Kingdom has not received notification that special access arrangements apply in these waters.

#### IMPORTS

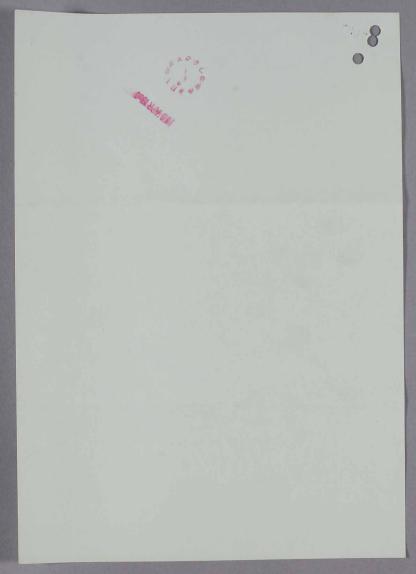
10. The figures of imports are based on a selection made by
Mr Boyd from the whole range of published statistics. The basis
he has used is not clear but he is right to point to a

substantial growth in imports over the last three years.

There is, however, not much credence to be attached to an estimate for 1980 based on figures for January alone.

Within the total, imports from other EEC countries have been rising faster than imports generally: they increased by 55% between 1977 and 1978 and by 26% between 1978 and 1979.

Most of this fish will have been taken in the EEC pond but we cannot make any real assessment of precisely where, within that area, catches sold here would have been taken.



DRAFT FOR THE PRIME MINISTER'S SIGNATURE

Fishing Induscry.

The Lord Mayor Guildhall Kingston Upon Hull

When we met in Hull on 14 March you gave me a letter setting out the City Council's views about maintaining the city's fishing and processing industries. I have since received letters from Councillor Doyle, the Leader of the City Council, and from the Town Clerk.

As you know, a proportion of the aid for the fishing industry announced by the Minister of Agriculture, Fisheries and Food on 13 March will be available for use by the Fish Producers' Organisation Limited, in whose economic area Hull falls. They will be able to make a judgment in the light of their priorities about how far the money which will be available to them can be allocated in ways which would benefit Hull. I understand that they have not yet reached any final decisions. The programme of exploratory voyages which Peter Walker announced on the same day could also benefit trawlers which have traditionally been based in Hull.

I have now been asked by the Town Clerk in his letter of 24 March that other funds be made available directly for the preservation of the fish landing facilities in your City. When I discussed the situation with representatives of the fishing industry during my visit, I made it plain that I could give no undertaking about possible Government aid for any new scheme. But I did say that I would be ready to listen to any reasonable

proposition about the future of the port and would be ready to I have agreed to meet David Cairns of the Transport and General receive a deputation when there were precise proposals for Workers' Union for a discussion on 24 April discussion.

Comillos Dogu and to A hood.



FROM THE SECRETARY OF STATE

Clive Whitmore Esq Private Secretary 10 Downing Street LONDON SW1 ELIZABETH HOUSE, YORK ROAD, LONDON SEI 7PH 01- 928 9222

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8 April 1980

Deen Clive,

Thank you for sending UB a copy of your letter to Garth Waters, MAFF enclosing one from Kevin McNamara to the Prime Minister about problems in the fishing industry. We have now seen a copy of the draft reply approved by the Minister of Agriculture and Fisheries and are content with the last peragraph of this.

R GREEN
Private Secretary







CC HAFF DES 19/

### 10 DOWNING STREET

THE PRIME MINISTER

31 March 1980

Thank you for your letter of 10 March about my visit to Hull. I was very glad to be able to make that visit, and had useful discussions with representatives of the fishing interests there.

Since you wrote your letter the Minister of Agriculture,
Fisheries and Food has announced financial aid of £3 million for
the fishing industry. A proportion of the provision will be available for allocation by the Fish Producers Organisation Limited, in
whose area Hull falls, and they will be able to make a judgement in
the light of their priorities about the extent to which Hull should
benefit from this sum. The programme of exploratory voyages which
Peter Walker announced on the same day could also be of value for
vessel owners based at Hull.

I understand that Peter Walker has drawn the Commission's attention to the claims of Hull as a centre for fishery studies. He hopes that it will be possible to give further consideration to the concept of such a Centre in the context of a settlement of the Common Fisheries Policy.

(SGD) MARGARET THATCHER

Kevin McNamara, Esq., M.P.

6

## · EXTRACT

Record of Mtg Pm/Chanceller Schmidt Chequers, Friday 28 March 1980 0945 am.

## SECRET

- 9 -

Fish

Chancellor Schmidt reverted to his suggestion that any package deal should include a series of principles for solving the fisheries problem. He doubted whether it would be possible to put together a package, if there was no mention in it of fish. Fish was becoming an urgent political problem not only in the UK but also in Germany, Denmark and France.

The Prime Minister said that discussions on fish, particularly with the French, were going ahead satisfactorily, though slowly. We had not, however, yet reached the point of talking about figures, and this would be when the difficulties really started. She doubted whether we were in a position to include fish in any package of the kind the Chancellor had in mind. Fish was the only resource which was designated under the Treaty as a common resource, and the UK contributed 60 per cent of the Community's waters and 72 per cent of its fish. The UK was therefore contributing massively to the Community's resources. Fish was a highly political issue in the UK, and we had to have an acceptable settlement. When she had talked about solving problems on their merits she had meant that she could not enter a bad permanent agreement on fish in order to get a temporary agreement on the budget.

Original a Germany, Virih by Schmidt, Ptz.



## 10 DOWNING STREET

BF 31/3/85

From the Principal Private Secretary

27 March 1980

Dens Gest

Thank you for your letter of 26 March about the Prime Minister's meetings with representatives of the fishing industry in Hull on 14 March.

I have not yet been able to show your letter to the Prime Minister, but in the meantime she has had the attached letter from the Town Clerk. As you will see, the City Council are now asking specifically for funds to be made available to maintain the fish landing facilities in the city until such time as we have a common fisheries policy and in particular for funds to make dock charges attractive to foreign trawlers. I should be grateful if you could let me know quickly whether you wish to change in any way the advice in your letter of 26 March in the light of this approach from the City Council.

I also sent you earlier this week a copy of Mr. T.W. Boyd's letter of 20 March to the Prime Minister. The Prime Minister has now had an opportunity to see Mr. Boyd's letter and she would like to know whether the various statistics set out in it are correct. I should be glad if you could let me have comments on the letter.

You murily,

G.R. Waters, Esq., Ministry of Agriculture, Fisheries and Food.

B.B



From the Minister's Private Office

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

C Whitmore Esq 10 Downing Street London SW1

26 March 1980

Dear Clive,

You asked for my Minister's advice on the points arising from your record of the Prime Minister's meetings with the fishing industry in Hull on 14 March and on the letter the Prime Minister was given by the Lord Mayor.

My Minister has the following points to make. First he notes that the industry representatives' hopes for the future of Hull as a fishing port depend on both an optimistic assessment of the port's attractiveness to foreign vessels and the assumption that the Government can negotiate substantial new fishing opportunities for the present distant water fleet based in Hull. Realistically we could not endorse either of those hopes. Access to the distant waters on which the fisheries of Hull were founded is now limited by the willingness of other countries outside the EEC to share their waters, and they show few signs of wishing to do so on the scale that would be needed to re-establish the importance of Hull.

There is no conceivable distribution of fishing opportunities within the fishery limits of Community Member States, or redistribution of Community quotas within third country waters, which could fully redress the balance in favour of our distant water industry. Without large landings of UK-caught fish in the port, dock charges in Hull cannot be brought down sufficiently on a long-term basis to encourage foreign landings, without a specific and continuing subsidy.

Against this background my Minister considers that there is no case for giving special financial assistance to Hull over and above anything which the Fisheries Producers' Organisation for the area in which Hull is situated may choose to do under the terms of the temporary aid scheme which my Minister announced on 15 March. Any further aid would have to be given on a continuing basis, and it would distort the present pattern of landings whereby other ports have gained at Hull's expense.

It would, however, be premature to expose this position until we have received the proposals which Mr Cairns of the TGWU said were under discussion between the trades unions, the Council and the Docks Board. You will recall that the Prime Minister said that she would be ready to receive a deputation from the City to hear these proposals when they were ready.

Finally, the Minister is disappointed that the Trawler Owners' representatives continue to misrepresent the facts about Government policy on the enforcement of present fishing controls and seek to imply that he is not fully seized of the facts about the exploitation of fish stocks in UK territorial waters. It is untrue for example to say that we are not able to enforce the quotas in our waters effectively. Our fishery protection fleet carry out a large number of boardings of foreign and UK vessels each year and in 1979 18 foreign skippers were prosecuted for breaches of our fisheries regulations. Nor are we unaware of the need to secure an outcome to the CFP negotiations which properly reflects our interests.

I attach a draft reply to the Lord Mayor of Hull to his letter of 14 March.

Your animy

G R WATERS Principal Private Secretary 0

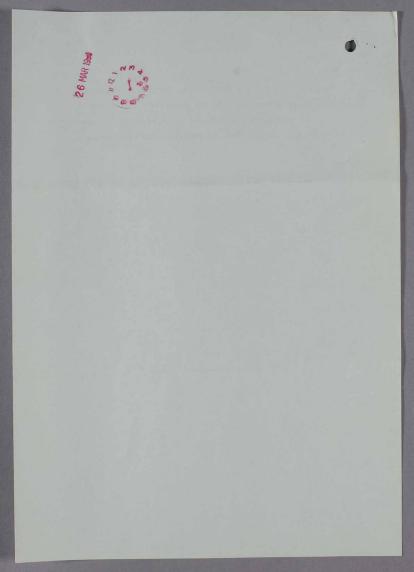
The Lord Mayor

When we met in Hull on 14 March you gave me a letter setting out the City Council's views about maintaining the city's fishing and processing industries.

As I am sure you know, a proportion of the aid for the fishing industry announced by the Minister of Agriculture, Fisheries and Food on 13 March will be available for use by the Fish Producers' Organisation Limited, in whose economic area Hull falls. They will be able to make a judgment in the light of their priorities about how far the money which will be available to them can be allocated in ways which would benefit Hull. No doubt this is being discussed in the industry. The programme of exploratory voyages which Peter Walker announced on the same day could also benefit trawlers which have traditionally been based in Hull.

These measures could help the situation in the short term. As for the longer term, you will know I also met representatives of the fishing industry whilst I was in Hull and heard from them that discussions were being held between the Council, the Trades Unions and the Docks Board about ways of improving the long-term prospects for Hull as a fish-landing port. I had to make it plain that I could give no undertaking about possible

Government aid for any new scheme. But I did say that I would be ready to listen to any reasonable proposition about the future of the port and would be ready to receive a deputation when there were proposals for discussion.



25 March 1980

The Prime Minister has asked me to thank you for your letter of 20 March in which you set out many of the facts and figures which you mentioned to the Prime Minister when she met you and your colleagues in Hull on 14 March. She is grateful to you for taking the trouble to write.

SAOMTIHM & S

T.W. Boyd, Esq., Jr.



#### 10 DOWNING STREET

From the Principal Private Secretary

25 March 1980

As you will have seen from my letter of 17 March about the Prime Minister's visit to Hull, Mr. T.W. Boyd, who led the representatives of the city's fishing industry at the meeting with the Prime Minister in the Royal Station Hotel, undertook to write to the Prime Minister to set out the statistics which he had quoted to demonstrate the decline of the Hull fishing industry.

His letter has now arrived, and I attach a copy. I do not think that it tells us anything new. I have sent Mr. Boyd a short reply on the Prime Minister's behalf.

CA. WHITMORE

G.R. Waters, Esq., Ministry of Agriculture, Fisheries and Food

2

#### PRIME MINISTER

When you saw the delegation representing the fishing industry during your visit to Hull, its leader, Mr. T.W. Boyd, undertook to write to you confirming some of the facts and figures which he and his colleagues had quoted during the meeting.

His letter, which I attach, has now arrived. It does not tell us anything new.

I have replied to him, thanking him for the letter on your behalf. I have also sent a copy of his letter to Mr. Peter Walker's office.

Kun.

25 March 1980

Printer Trous



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#### 10 DOWNING STREET

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## CITY OF KINGSTON UPON HULL Town Clerk and Chief Executive

The Guildhall, Kingston upon Hull, HU1 2AA

Telephone 223111 Ext. 2000 STD 0482

My Reference

Your Reference

24th March 1980

Dear Prime Minister,

#### Fishing Industry in Hull

As indicated in the letter to you of the 20th March, written by Councillor Doyle, the Leader of the City Council, a further meeting of all interested parties in the Fishing Industry was held in the Guildhall on the 21st March, to consider the present situation.

The financial assistance proposed by your Government and the reduction in fish landing charges, introduced by the British Transport Docks Board, were discussed. Whilst these were welcomed it was felt that such measures would create only a marginal improvement for a limited period. The reduced landing charges will operate only until the end of April and the financial assistance proposed by your Government is intended to cover the period until the 30th September. In addition, such assistance is directed solely to the fish producing organisations and would not necessarily be used for the benefit of all the fish based industries in the City.

I was accordingly asked by the meeting to write to you to express the continued concern of all parties in the Industry for the future of the Fish Industry in the City and to request that funds be made available directly for the preservation of the Fish landing facilities in the City until the future of the Industry can be assured by the settlement of an acceptable common fisheries policy.

In relation to the latter point, the meeting had in mind that to some extent, in the short term, the continued existence of the landing facilities in the City will be dependent on landings from foreign trawlers and consequently funds should be available so that dock charges, for the use of such facilities, are attractive to foreign trawlers.

Yours sincerely,

Town Clerk and Chief Executive.

The Rt.Hon. Margaret Thatcher, M.P., Prime Minister, House of Commons, Westminster, LONDON.

24 March 1980

The Prime Minister has seen your letter of 20 March and has asked me to thank you for taking the trouble to let her know of the developments on the future of the fishing industry in Hull that have taken place since her visit to the city on 14 Marck.



Patrick J. Doyle, Esq.



GUILDHALL, KINGSTON UPON HULL HU1 2AA

20th March, 1980. R21/3

Dear Prime Minister,

I think you will know that the interest you showed in our fishing problems when you visited Guildhall last week was very much welcomed.

One of the main purposes of our discussion was to draw your attention to the current disproportionate and, in my view artificial charges for fish landings at Hull. These make us totally uncompetitive with other British ports.

I enclose an extract from yesterday's Hull Daily Mail which relates to the presence of an Icelandic trawler which, according to the account, is ready to discharge 2400 kits of wet fish at Hull provided charges more comparable with other ports can be agreed. This illustrates precisely the problem which now faces our port.

To-day the Town Clerk and Chief Executive has contacted the British Transport Docks Board in Hull and in London and understands that interim arrangements are being discussed with the Fishing Vessel Owners which could prevent further fishing vessels being deterred from landing their catches in Hull - at least for the time being.

I am writing to keep you informed of the present critical situation in the fishing industry as far as the City is concerned and trust that your Ministers will continue to monitor the situation closely until a long term solution can be realised.

In conclusion, I would add that all interested parties in the fishing industry will be meeting in Guildhall to-morrow to consider further the present situation.

Yours sincerely,

Yakida J. July Leader, Kingston upon Huxi City Council

The Rt. Hon. Margaret Thatcher, MP, Prime Minister, 10 Downing Street, LONDON. HULL DAILY MAIL

WEDNESDAY

19th MARCH, 1980.

# Tragic' decision by Docks Board

THE BRITISH Transport Docks Board has refused to lower its  $\pounds 51$  a tonne landing charge at Hull to enable an Icelandic trawler to discharge 2.400 kits of wet fish in the port.

The Board's decision was described today by Mr Bob Dalton, secretary of the Hull Fishing Yessel Owners' Trading Co., Ltd., as a tragedy. "It is the beginning of the season and we could have been

ing Co., Ltd., as a tragedy. "It is the beginning of the season and we could have been landing 300 to 400 tonnes of Icelandie fish a week, building up to about 700 tonnes a wearound July, if the Board had agreed to reduce its charge," he added.

Last year the port dealt with this quantity of Icelandic fish but the Icelanders are now refusing to come to the port when they face landing charges of only about £10 a tonne at Grimsky and Fleatwood.

After the Board's top-level decision this morning, the Icelandic trawler Arsaell Sitgurdsson was informed as it waited in the North Sea.

#### CONGESTION

The trawler would have come to Hull if the Board had agreed to an acceptable landing charge which could have been marginally higher than the Grimsby rate.

She would have put in to Hull on these terms because of

"Now she might go to Grimsby, Fleetwood, the Continent or even back to Ice-

land," added Mr Dalton.
"It is a tragedy — but there
it is. I would have thought the
Board would have taken the
view that some income from
the Fish Dock was better than
nothing at all, for as long as it
remains open the Board is

nothing at all, for as long as it remains open the Board is incurring costs."

In anticipation of a favourable reply from the Board a team of just over 60 bobbers had been alerted to land the vessel tonight, together with four fitters and electricians.

The whole of the Hull fish landing force was made redundant some weeks ago because of lack of work for them and about 10 fitters and electricians employed by the Trading Company were laid off earlier

The Board's decision means the immediate loss of a night's work for the bobbers and the possibility of work during coming months if the charge had been reduced sufficiently to attract further trawlers BOYD LINE LIMITED

TELEPHONE: 0482 24024



TRAWLER OWNERS

TELEGRAMS TOMBOY, HULL TELEX 5 2 3 3 3

#### ST. ANDREWS DOCK HULL HU3 4PS

TWBJ/B

20th March 1980

The Rt. Hon. Margaret Thatcher, MP., PC., The Prime Minister, 10 Downing Street, London SW1.

Sea Pain Minister,

I should like to thank you most sincerely fo so generously giving the Hull Fishing Industry representatives more than an hour of your time last Friday.

Your interest and genuine desire to understand the Industry's situation was most heartening.

I promised a follow-up letter on the content of our discussions.

 The Hull Fishing Vessel Owners' Association Limited has been forced into liquidation, losing all of its assets, because of drastically restricted fishing opportunities. The UK's quota for Hull's freezer vessels was a mere 28 thousand tonnes of cod and haddock from 3rd country waters in 1979: 12½ thousand tonnes of cod and haddock in 1980.

By comparison we drew to your attention the nearly stable German Deep Sea fishing opportunities. In excess of 290 thousand tonnes for 1977 and 1978 (Annual Report, German MAFF, Mocklinghoff). In 1979 this fleet, as you know, has illegally taken in excess of 130 thousand tonnes of cod from Greenland waters alone.

UK Distant Water catches have fallen from 107 thousand tonnes in 1977, 43 thousand tonnes in 1978 to 24 thousand tonnes in 1979. In 1979 French trawlers illegally caught herrings in UK/EEC waters to the tune of 30 thousand tonnes!

The French have also "reserved" their entire negotiated catch at St. Pierre and Miquelon for themselves. The Dutch freezer vessels have no quantitive restriction at all in their mackerel fishing. In addition all our EEC competitors are maintaining their freezer fleet sizes in anticipation of the "carve up".

 We knew you would wish to know the contribution to the EEC "funds" which the EEC is anticipating from the UK (under the currently tabled EEC Fishing Policy proposals).
 The UK's input is nearly 73% of the EEC's resource against a fishing "offer" of 23%.

MAFF estimates, based on the evidence of International Scientists, have calculated that EEC stocks, re-established by conservation, will yield 5. 9 million tonnes a year.

At 1978 quayside prices (the most up-to-date MAFF statistics available), MAFF estimate this 5.9 million to be worth £577 million.

We mentioned that in 1978 the UK catch from the EEC pond and the Norwegian Sector of the North Sea was 904 thousand tonnes, valued at £230 million. We, therefore, consider that our contribution in 1980 to the EEC is most conservatively estimated at £500 million, such contribution increasing and ongoing.

3. To make matters worse in addition to the UK's enormouse contribution to EEC fishery resources our imports (MAFF and Customs and Excise statistics) have increased from £82 million in 1977: £122.5 million in 1978: £157 million in 1979, and are currently running at an annual rate of £260 million. Much of this increased volume of imports has come from EEC vessels, been caught in the EEC pond in general and our sector in particular.

In order to emphasise our contribution I have taken the liberty of enclosing a small chartlet which shows the UK waters in red, Norwegian waters in green and the other members of the EEC's waters in blue.

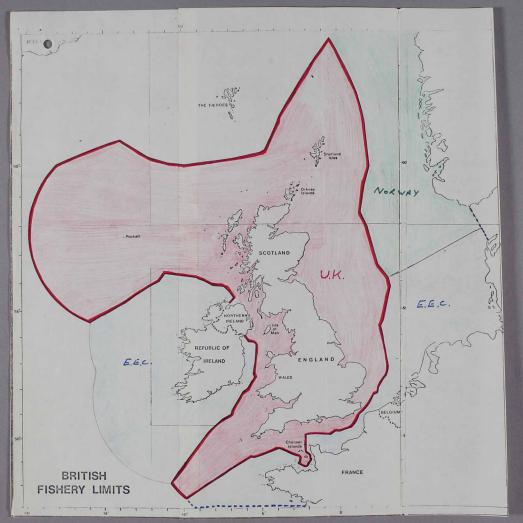
The Uk has no <u>practical</u> access to the Kattergat and Skaggerak. The EEC's share of these stocks being totally "reserved" for <u>Denmark</u> and <u>Germany</u>. Nor has the UK any <u>practical</u> interest in the waters south of Ushant, which the French and <u>Spanish</u> between them have fished out and which has nowhere near the potential of our own waters.

I would like to reiterate not only my personal thanks but also the tanks of the Hull Fishing Industry, for your genuine interest, concern and, hopefully, involvement in our Industry; these sentiments will be echoed throughout the entire United Kingdom Fishing Industry.

Jones most hianaly,

Thura L. Smit

T. W. BOYD Junior CHAIRMAN Hull Freezer Trawler Owners Company Limited.





Fishing Ind.

## 10 DOWNING STREET

THE PRIME MINISTER

19 March 1980

I was very glad to meet you again when I came to Hull last Friday. I found our discussion very helpful and as I told  ${\tt Mr}$ . Cairns, I will be ready to receive a deputation when you have developed your proposals for the future of the fishing industry in Hull.

It was very kind of you to present me with a photograph of the Boston Sea Stallion. I am only sorry that you are having to run her at a loss.

(sgd) Margaret Thatcher

Neil Parkes, Esq.

18 March 1980 I am writing on behalf of the Prime Minister to acknowledge your letter of 17 March, following her meeting with you in Hull last week. M. A. PATTISON Neil Parkes, Esq.



VB/VUB

10 DOWNING STREET

From the Principal Private Secretary

17 March 1980

Dear Garth.

### Prime Minister's Visit to Hull

When the Prime Minister visited Hull on Friday 14 March she called upon the Lord Mayor at the Guildhall. Mr. John Prescott M.P., Mr. James Johnson M.P., Councillor Doyle (Leader of the Council), Councillor Mitchell (Deputy Leader of the Council), Councillor Pearlman (Chairman of the Development Committee), Councillor Fenwick (Leader of the Conservative Group) and the Town Clerk were also present. The Lord Mayor handed the Prime Minister the attached letter about the future of the fishing industry in Hull.

At the invitation of the Lord Mayor Councillor Doyle amplified the letter. He said that he and his colleagues did not want to discuss long term fishing problems. Their concern was the immediate problem of the closure of the Fish Dock in the city. The Docks Board were charging £51 per tonne of fish landed, whereas the comparable figure for Grimsby was only £10. The fishing industry simply could not afford £51 a tonne, and the Hull Fishing Vessel Owners' Association (HFVOA) had just gone into liquidation as a result. The primary objective of the City Council was to keep the Fish Dock open. This meant that there had to be fish landings in Hull, no matter whether the fish was caught by British or foreign trawlers. Once the fish landings stopped, that would be the end of the port of Hull. The Council acknowledged the 3 million pounds worth of assistance to the fishing industry which the Government had announced the previous day, but they wanted something done specifically for Hull to see the city through the short term crisis facing them. For the longer term there was the possibility of establishing Hull as a European centre of excellence for the fishing industry on the lines suggested by Mr. Kevin McNamara in his letter of 10 March to the Prime Minister. The City Council supported this approach and thought that there should be Government assistance for it.

Councillor Pearlman said that Hull was in its present difficulties through no fault of the fishing industry. The crisis had occurred because of international circumstances: first, there had been the loss of the Icelandic fishing waters and now the European Community could not agree upon a Common Fisheries Policy. It was essential to keep the Dock facilities going until the CFP was settled and the long term future of the industry could be assured.

/Mr. Johnson

JS

Mr. Johnson said that if the HFVOA were still landing 250,000 tonnes of fish a year as they used to, the Dock charges would be manageable. But now their landings were much, much less, and £51 a tonne was more than they could afford. He believed personally that the Docks Board were charging too much, but they maintained that they had to charge a commercial rate if they were to remain competitive with other ports. The key was plainly to get more fish landed in Hull. It did not matter whether the fish was caught by British or foreign vessels.

The Prime Minister said that she was grateful to the Council for their clear presentation of the city's problems. She had taken note of what she had been told and she would study the letter they had handed to her with great care.

The Prime Minister then left the Guildhall and went to the Royal Station Hotel in Hull where, later in the evening, she met a number of representatives of the fishing industry in Hull - Mr. Tom Boyd, Mr. Neil Parkes, Mr. Colin Smales, Mr. Arthur Cook, Mr. Tom Nielsen, Mr. D.K. Cairns and Mr. W.E. Allen -, together with Councillor Pearlman, representing the City Council, and Mr. Bantock of the Docks Board.

Mr. Boyd said that he and his colleagues were very grateful to the Prime Minister for the opportunity to explain to her the problems of the fishing industry in Hull. Hull was the third largest fishing port in the United Kingdom and it had a very important contribution to make to the wellbeing of the country. would be disastrous if the city lost its fish landing facility because of a row with the European Community. The major cause of the industry's present difficulties was the lack of fishing opportunities for its freezer vessels. Trawlers from Hull now had only 30 weeks fishing a year and this year they were likely to take about half of last year's catch. The maximum possible catch was now as low as 17,000 tonnes, and in practice no more than 12 or 13,000 tonnes would be landed. Faced with so small a catch and the Docks Board's landing charge of £52 a tonne, the HFVOA had had no alternative but to go into voluntary liquidation. The owners had done all they possibly could to prevent this happening. Last year they had negotiated with the TGWU an agreement which meant that landings in Hull would be cheaper than in Grimsby. They had taken other steps to improve efficiency and they believed that they were as competitive as possible. But the fact was that the industry was desperately short of fishing opportunities in distant waters. The British fishing industry observed the quotas imposed upon it, but many of our European partners and competitors did not do so. There was, for instance, the example of French fishermen who last year, despite a total ban on herring fishing, had landed 30,000 tonnes of herring at Boulogne. Other members of the Community were just as unscrupulous. We played cricket and observed the quotas, and they laughed at us. We were not able to enforce the quotas in our waters effectively. Nobody policed vessels from Community countries, and in any case our fishery protection vessels were often too slow to catch the trawlers of other countries suspected of breaking the rules.

Mr. Boyd continued that he and his colleagues were convinced that Ministers were unaware just how much the UK contributed to the Community in the fisheries field. We allowed our partners to catch £500 million-worth of fish resources a year in waters which would be British if we had a 200-mile limit. On top of this, our annual imports of fish were running at £260 million, and most of this came from our European partners. At the same time, British FPOs were catching about £250 million-worth of fish a year, most of it from Community waters. He would write to the Prime Minister setting out the figures in more detail.

What he and his colleagues were seeking was assistance to keep Hull's freezer fishing capability going while negotiations on the CFP continued. There was a very real danger that by the time a settlement was reached, the British freezer fleet would be irredeemably depleted. The £3 million of assistance announced the previous day was useful but did not go very far. Hull's share of the £3 million, based on catch value, would be only £280,000. The city's fishing fleets would have nowhere to send 28 vessels for 20 weeks in the present year. It cost £2,500 a day per vessel to lay up the ships and pay the crews. £280,000 would therefore last for four days. That was the measure of the problem. The Hull fleet had to have new fishing opportunities very soon if it was to survive.

Mr. Smales said that the £1 million that had been provided for exploratory voyages should be used to encourage industrial fishing for species such as blue whiting, sand eels and sprats. It was important that commercial as well as scientific considerations were taken into account when the decisions were being taken about how to spend the money, and for this reason it was essential that the industry was consulted about the exploratory voyages.

Mr. Cairns said that the industry was facing hundreds of redundancies in Hull as a resultin the liquidation of the HFVOA, and this in a city where male unemployment was already running at 10.5 per cent. He and his trade union colleagues had taken the initiative and suggested to the City Council and the Docks' Board that there should be a tripartite effort to save Hull as a fish landing port. The aim should be to build up Hull as a quality landing port which would attract both British and foreign fishermen. But that was for the longer term. Help was needed in the meantime. He did not know what ideas the trade unions, the Council and the Docks' Board would be able to put forward: much less was he able to talk figures. But what he was seeking was an assurance that the Prime Minister would be ready to receive a deputation which would put to her the city's proposals for the future of the fishing port when they were ready.

Mr. Cook said that he represented the fish merchants of Hull. His association had some 100 members, of whom 85 were very small firms employing four to five people. They had already contracted substantially, and the next step for them was complete closure. There had been only one landing in Hull since Christmas, and so the fish merchants were trying to survive by bringing in landings across land from other ports. But the whole structure of the fresh fish

distribution system required landings at Hull. The overriding objective of his association was therefore to retain the facilities of the Hull fish dock. It was desperately urgent that the CFP negotiations were completed in the next three months or so. Even Grimsby, with its advantages of having an inshore fleet as well as a distant water fleet and being closer to the open sea. had not been doing so well since Christmas.

The Prime Minister said that she was grateful to them for explaining the problems of the Hull fishing industry so clearly. Plainly the major requirement was to agree upon a CFP. In the meantime, although she could give no kind of undertaking or promise in advance, she was ready to listen to any reasonable proposition about the future of the port and she would be happy to receive a deputation, as Mr. Cairns had suggested, when there were proposals for discussion.

As you will see, the Prime Minister gave no commitments at all at either of her meetings in Hull on the fishing industry, but she would be grateful for the views of your Minister on the points that were put to her and in particular for his advice on how she should respond to the letter that was handed over to her in the Guildhall.

I am sending a copy of this letter to Godfrey Robson (Scottish Office).

Your wo.

G. R. Waters, Esq., Ministry of Agriculture, Fisheries and Food.

#### PRIME MINISTER'S VISIT TO HULL

Neil Parkes
President of the British Fishing Federation
Trinity House Chambers
Lowgate
Hull

T.W. Boyd Jnr President of the Hull Freezer Trawler Co Ltd St. Andrew's Dock Hull

A.S. Cook
President of the Hull Fish Merchant Protection Assoc Ltd
Albert Dock
Hull

Colin Snales
Hon. Chairman of the Hull Fishmeal and Oil Co Ltd
S. Snales & Son
35 West Dock Street
Hull

T. Neilson Secretary of the Hull Trawler Officers Guild St. Andrew's Dock Hull

W.E. Allen
District Organiser of the General and Municipal Workers Union
15 Springfield Way
Anlably
Hull

D. Cairns Transport and General Workers Union Bevin House George Street Hull Secretary: I. C. Thorburn



Your Ref. :

DNP/ELJ

#### BRITISH FISHING FEDERATION LIMITED

Registered Office

Trinity House Chambers, 12 Trinity House Lane, Hull,
Registered No.: 151343 England North Humberside, HU1 2JF

Telephone: Hull (0482) 26718 (3 Lines).

Telegrams: Trawlfed Hull.

17th March 1980 (18/3

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
The Prime Minister
10 Downing Stoods

10 Downing Street LONDON

Dear Prime Minister

On behalf of the British Fishing Federation, I would like to thank you most sincerely for according us the opportunity, last Friday afternoon, of explaining to you some of the major problems at present facing the British Fishing Industry as a whole, in addition to the particular problems of the fishing port of Hull. Mr. Boyd, as President of the Humber Freezer Trawler Owners, will be writing to you under separate cover to let you have in more detail some of the facts and figures discussed at our meeting.

Our Director General had earlier written to you on behalf of the Industry in general to request a meeting in order that we may have the opportunity of explaining the serious financial situation in which the Industry now finds itself. This request was made before we were aware that an announcement of financial aid to the Industry was imminent and we therefore now fully appreciate that it is not necessary to hold such a meeting, following the announcement in the House of Commons by Peter Walker and particularly as a result of the considerable amount of time you made available to us in Hull last Friday.

We will continue to work closely with your Ministers in regard to the re-negotiation of the Common Fisheries Policy and we know that they will keep you fully briefed of developments in that direction. We fear that whether or not a settlement is possible during the summer, the present crisis within which the Industry finds itself will continue unabated. It is inevitable that much time will have to pass to alter the fundamentals that have brought about the present situation and the Industry will need to look to your Government for continued support during this period of time.

I am copying this letter to Mr. Peter Walker and Mr. George Younger.

Wail Poule

PPS

With the Compliments of D. N. Parkes

BOSTON DEEP SEA FISHERIES LTD. ST. ANDREW'S DOCK HULL

#### "BOSTON SEA STALLION"

Launched by The Rt. Hon. Mrs. Margaret Thatcher
21st June 1978
Gt. Yarmouth.

Results of the vessel for the nine months ending 31st December 1979 :

		£
Loss before Depreciation		34,553
Depreciation		35,875
LOSS AFTER DEPRECIATION	£	70,428

In addition to the foregoing operating losses the Annual Loan Interest and Repayments have to be financed, as follows:

Annual Loan Interest		21,803
Annual Loan Repayment		43,072
	£	64,875

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Secretary: L. C. Thorburn

#### BRITISH FISHING FEDERATION LIMITED

Registered Office:

Trinity House Chambers, 12 Trinity House Lane, Hull,
Registered No.: 1513/3 England North Humberside, HUI 2JF
Telephone: Hull (0422) 26718 (3 Lines)

Telegrams: Trawlfed Hull

Ta Satison Love

# PRESS STATEMENT FROM THE PRESIDENT OF THE BRITISH FISHING FEDERATION LTD.: MR. D.N. PARKES

The British Fishing Federation welcomes the financial aid for the fishing industry that was announced in the House of Commons yesterday by Mr. Peter Walker.

The Federation warmly appreciates the successful efforts of the Minister of Agriculture, Fisheries & Food, Mr. Peter Walker and the Minister of State, Mr. Alick Buchanan-Smith and the Secretary of State for Scotland, Mr. George Younger, in effectively negotiating any aid at all for the Industry in the present economic climate of the country.

The Federation hopes that the Ministers will be able to conclude a successful renegotiation of the Common Fisheries Policy during this summer. Whether this goal is achieved or not, the financial problems of the Industry are likely to continue well beyond September and we must hope, therefore, that yesterday's announcement will be the first shot in the arm for the Industry and that there will be more to follow in order to prevent further decline, if not total collapse.

DNP/EJ/JB/70 14 March 1980

REVISED FISHERIES BRIEFING

PRIME MINISTER'S VISIT TO HULL, 14 MARCH 1980
BRIDE FOR MEETING WITH REPRESENTATIVES OF FISHING INTERESTS

- 1. The industry representatives (list attached at Annex A) and local MPs can be expected to concentrate on the problems of the distant water fleet and the implications for the related industry at Hull. They have been seeking financial assistance to protect Hulls position as a fishing port, and may also be looking for renewed assurances about Government policy on the EEC Common Fisheries Policy.
- Representatives of local organisations and MPs have recently met MAFF Ministers and the Chairman of the British Transport Docks Board; and MPs have also met Department of Transport Ministers.

#### BACKGROUND

- 3. The immediate problem stems from the apparent decision by fishing vessel owners to cease landings in the fishing docks. The Fishing Vessel Owners Association (HFVOA) had an agreement with the British Transport Docks Board, who own Hull Docks, under which dock dues on fishing vessels and on fish were paid at rates calculated by reference to the costs incurred by the Board in providing and operating the two fish docks and the tonnage of fish expected to be landed. A decline in landings over recent years has led to continuing increases in charges to a present rate of £52 per tonne which the HFVOA members are not prepared to pay. To extricate themselves from the obligation to pay the annual costs required by the agreement the owners have put the HFVOA into liquidation.
- 4. The Chairman of the British Transport Docks Board, Sir Humphrey Browne, recently met representatives of the Association. The Association did not press for charges to be reduced (though they have

done so on previous occasions). They appear to have accepted that the Board cannot continue to provide facilities at the fish dock by allowing the dock to be subsidised by other port users. In present circumstances this would clearly be unacceptable: the commercial users of the port are in no position to subsidise the fishing industry, nor would cross-subsidisation of this sort be acceptable to the Board. The Board has taken no decision on the future of the fish docks which are in principle still open for landings but consultations have been initiated with the Trades Unions on the future of the docks.

#### IMPLICATIONS OF HFVOA LIQUIDATION

- 5. Over 100 "bobbers" who landed fish have been laid off, together with a small number of clerical staff. Further job losses are linked to decisions yet to be taken by vessel owners about future fishing prospects for their distant water vessels which comprise the fleet based at Hull. The industry has estimated that the whole Hull fleet maintains 900 sea going jobs and 500 associated shore jobs. Freezer trawlers can discharge at any commercial port of sufficient size, including the Hull commercial docks; if the Hull fish docks close wet fish vessels would have no choice but to go to other fishing ports. There is no shortage of alternative facilities for either class of vessel, but this is not an opinion that the Covernment need voice, since it is a matter for the Industry itself to decide.
- 6. The owners may make a case for special aid to subsidise dock dues to an acceptable level (they have referred to annual subsidy of £850,000). Their primary concern however could be to press the need to reverse the decline in fishing opportunities for the distant water fleet which has occurred over the last decade and which is the main cause of the decline of Hull, as a fishing port. They may place the blame for the decline on UK accession to the EEC.

- 7. In fact the reduction in the UK's distant water fishing rights derived from the general extension of national fisheries jurisdictions to 200 miles during the 1970s and the decisions by countries such as Iceland, Canada and Norway to reserve most of the fishing for their national fleets. Future access to third country waters will depend on these countries' willingness to negotiate quotas. UK accession to the EEC was not the primary factor in the loss of rights. The industry is naturally concerned to secure the widest possible opportunities both in EEC waters and those of third countries; this is HMG's objective.
- 8. The deep sea industry will have to exercise a judgement about the level of activity that existing and possible future fishing opportunities will sustain. But there is very little prospect that the scale of such fishing could be enough to restore the viability of Hull as a fishing port. Whilst the port's fortunes have declined as the emphasis has switched from distant water to near water fishing it is not well placed to benefit from mackerel catches off the south west of England and west of Scotland and is too far up the Humber to benefit from the development of near water fishing in the North Sea which has been of great value to Grimsby. The closure of Hull as a fishing port has been predicted for some years as inevitable in these circumstances.

## MERCHANT AND PROCESSING SECTORS

9. Representatives of merchants and processors can be expected to emphasise the problems that closure of the fish docks would have for their operations. However both sectors have so far been able to adapt to the decline in UK landings of fish through the docks. The fish market (400 jobs) is currently well supplied with fish from established

overland supplies from Scotland and NE coast ports and from imports. The <u>processing industry</u> (now 1800 jobs) used to be based on the processing of whole wet fish but is now tending to concentrate on processing imported, gutted fillets for which there is the necessary continuity of supply. <u>Fish meal</u> companies have lost supplies of wet fish offal and condemned consignments as a result.

10. Findus has announced a decision to close its processing plant at Hull later this year and has applied for assistance under the Industry Act 1972 towards the cost (£20m) of a new factory for prepared foods at Longbenton, Newcastle. Mr James Johnson MP (Kingston-upon-Hull) wrote to the Secretary of State for Industry last November pressing the claims of Hull for the new project. The latter replied that it was a matter for the commercial judgement of a company where to locate its new investment projects and that he would not wish to intervene over their decisions. So far Mr Johnson has not challenged this but may yet do so. Findus are concerned that their intention - supported by DOI - to locate the new plant at Newcastle for good commercial reasons should not be upset.

## GOVERNMENT AID FOR THE UK FLEET

- 11. The Minister of Agriculture, Fisheries and Food does not consider that special Government aid for the fleet based at Hull as such would be appropriate. However he is announcing in Parliament on 13 March a temporary scheme of aid for the UK fishing industry as a whole. The draft statement is attached at Annex B. The scheme is intended to assist the industry to face particular economic problems which have occurred as a result of declining earnings at a time of rapidly rising costs of operation. The scheme can in principle help Hull in two ways:
  - (a) funds are available for local fish producer organisations to spend on a range of ways to assist fishermen, including subsidies to

4.

dock costs. It is for local discretion as to whether funds should be put into Hull;

(b) film will be spent on a second round of exploratory voyages under which fishing vessels will be chartered by the Government to seek underexploited stocks of fish. Hull vessels could be eligible for charters; the whole UK industry will receive the benefits of the findings, which will be published.

## POINTS TO MAKE

- 12. Points to make on the above issues, and others that may be raised, are attached.
- 13. A note is attached at Annex C of a meeting between MAFF
  Ministers and representatives of the Hull fishing industry on 7
  February at which a range of points of concern to Hull were discussed.

#### STATEMENT

With permission, Mr. Speaker, I would like to make a statement on the problems of the United Kingdom fishing industry and the Government's plans for providing short-term aid.

When I met representatives of the fishing industry on 23 January, they described the problems which they were experiencing as a result of increasing costs and deteriorating prices. I asked them to provide me with details of their economic position and to suggest ways in which their problems might be eased. When my Rt. Hon. friend the Secretary of State for Scotland met the Executive Committee of the Scottish Fishermen's Federation on 1 February, he received similar representations and asked the Scottish fishermen for their suggestions on possible action. Fisheries Ministers have now analysed the responses from the industry and we have concluded that assistance from the Government is justified and necessary.

As the House knows, the fishing industry faces great difficulties. It is having to adjust to reduced fishing opportunities. It is uncertain about the future because we are still in the process of negotiating on a Common Fisheries Policy in the EEC. And the recent economic pressures have added substantially to the problems. This is threatening the whole structure of our industry.

To meet this situation the Government intend to introduce two schemes of temporary aid.

First, we propose to make up to £2 million available to the industry through the Fish Producers' Organisations over the period 1 April to 30 September. This will be in the form of financial aids to be used for a range of prescribed purposes. These purposes include helping the industry to cover part of the cost of intervention so as to maintain withdrawal prices, the provision of temporary laying-up premia, the payment of dock, harbour and landing dues and the financing of approved programmes to improve the grading, handling and sales promotion of fish.

It is an important feature of the scheme that it will give Producer Organisations a real degree of discretion so that they can match their efforts to the specific needs of the areas in which they operate. A further statement on the details of the scheme will be made after notification to the European Commission and consultation with the industry, which will take place as soon as possible.

In addition we propose to allocate a further £1 million to extending the programme of exploratory voyages to assess the commercial potential for exploiting under-utilised species.

The Government was urged to act quickly. This we have done. We believe that our proposals taken together will benefit the great majority of fishermen.

The Government remains determined to try to reach a Community Fisheries Policy that provides a good future for the industry, and the decisions that I have announced today will enable the industry to take advantage of an agreement when it is reached.



From the Minister's Private Office

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

Michael Pattison Esq Private Secretary 10 Downing Street London SW1

13 March 1980

Dear Nile,

PRIME MINISTER'S VISIT TO HULL - 14 MARCH 1980

I sent you last night some briefing prepared by the Department for the Prime Minister's use when she visits Hull tomorrow. I promised to let you have a note of some further points that the Minister wished you to bring to the Prime Minister's attention.

Firstly I would draw your attention to the note in the points to make about the Common Fisheries Policy objectives. Mr Boyd of the Hull Fishing Vessel Owners' Association has tried to get Ministers to endorse a bid of 45% as the UK quota of the total allowable catch of fish in Community waters. The Minister would like the Prime Minister to know that Fisheries Ministers have not at any time agreed to such a figure. Indeed they have been anxious throughout to deal with quota objectives species by species. However, this has not prevented Mr Boyd from attempting, falsely, to imply that Ministers have endorsed a bid of 45%.

The second point is that the Prime Minister will not be seeing Mr Austen Laing who has written to her, as Director General of the British Fishing Federation, asking for a meeting. Mr Laing is on holiday at the moment. He has caused some resentment in the fishing industry by his sudden request for a meeting with the Prime Minister and his generally critical attitude because he has never before raised these criticisms in the frequent meetings that Ministers have held with the fishing industry and in which he has participated.

The Minister has also asked me to point out that the 40 vessels operating from Hull account for about 1% of the commercial fishing fleet, even though the 30 freezers amongst them account for the entire British freezer fleet. The 40 vessels are owned by six large companies.

I am attaching the latest version of the statement which my Minister proposes to make to the House this afternoon. Certain changes to the text on the financial arrangements are being negotiated as a result of Nick Sanders' message to me.

My Department has asked me to point out that Mr Colin Smales received an invitation to participate in the meeting with the Prime Minister addressed to Mr Colin Snails. We do not know how this happened but you may like to warn the Prime Minister.

Finally, Councillor Doyle, leader of the Labour Group on the Hull City Corporation, is believed to be somewhat miffed that he has not been invited to see the Prime Minister at the meeting with the fishermen even though, I understand, he will be seeing her at 4 o'clock at another meeting.

Your wines

G R WATERS
Principal Private Secretary

#### RINANCIAL ASSISTANCE TO HULL FLEET

- (a) Government announced yesterday temporary assistance for UK industry as a whole. Decisions on use of funds will be for local fish producer organisations; right for industry to exercise judgment about whether, for example, to subsidise Hull dock dues in context of needs of region as a whole. Arrangements are being made to discuss the details with producer organisations.
- (b) A second round of exploratory voyages also announced. Will provide useful contracts for some vessels. Will also provide information for the whole industry on available fishing opportunities. Details of chartering will be published shortly.

#### NEED FOR GOVERNMENT AID TO "RESTRUCTURE" UK FLEET

Need for aid to reshape the fleet to future opportunities can best be considered when the contents of a CFP agreement is known.

#### FUTURE FOR HULL AS FISHING PORT

Will depend on the economic attractiveness of the port to the UK fleet and related industries.

#### LOCATION OF PROCESSING FACILITIES

As the Secretary of State for Industry has already explained to Mr James Johnson, location of processing factories is a matter for the commercial judgment of companies concerned.

#### FISH DOCKS SHOULD BE KEPT OPEN PENDING CFP SETTLEMENT

Decisions to keep fish docks open or to close them, and the level of dues to be charged, are matters for the British Transport Docks Board. Government has no powers to intervene, or to subsidise the BTDB. Understand however that if the fish docks closed the commercial docks would continue to admit fishing vessels.

√understand that present landing charge is £51.90 per tonne in fish docks, the same as under agreement with HFVOA. Rate reflects low throughput of fish, hence higher than at Grimsby. But understand that a fully economic charge would be nearer £200 per tonne.7

#### FISHING OPPORTUNITIES FOR DISTANT WATER FLEET

Recognise need to get best possible access to third country waters.

In necessary with national fisheries jurisdictions extending to 200 miles, access will be increasingly limited because of reservation of fishing rights for nationals of the coastal state.

/If necessary: deny allegations that UK is not obtaining fair share of present EEC quotas in third country waters. Have secured fair shares in relation to historic fishing performance and will seek maximum allocations in any new negotiations eg as currently with Canada.

#### OTHER MEMBER STATES GIVE MORE HELP TO FISHING THAN UK

UK Government does give aid: vessel construction and improvement, harbour grants, exploratory voyages, the schemes announced the previous day.

Other Member States' fleets also facing great difficulties. UK not alone.

QUOTA MANAGEMENT MEASURES AFFECTING UK FISHING INDUSTRY ADVERSELY: OTHER MEMBER STATES LESS SCRUPULOUS IN ENFORCEMENT

Standards of enforcement are currently a matter for individual Member States. Underlines need for satisfactory CFP settlement under which common standards would apply. We enforce mesh regulations and similar conservation measures within our limits against all comers. All EEC Member States under obligation to have regard to TACs. If we did not regulate our fleets' catches we could only make any over-fishing worse.

#### CFP MATTERS

#### LINKAGE WITH OTHER ISSUES

HMG not prepared to include fisheries in a package and continues to seek a separate settlement on fisheries.

#### CFP OBJECTIVES

HMG cannot agree to piecemeal settlement. Objective is satisfactory settlement as a whole, reflecting requirements of all sides of UK industry. Must include:

- (i) quota allocations
- (ii) access preferences
- (iii) adequate conservation measures
- (iv) proper enforcement
- (v) third country arrangements
- (vi) measures to finance structural adjustment.

At this stage in negotiations it would be wrong to indicate objectives in detail. Ministers have however taken careful note of the industry's views and will continue to do so in the formulation of the Government's negotiating objectives.

For the Prime Minister's Information:

Fisheries Ministers consult the industry at frequent intervals and particularly before each Fisheries Council.

"GREENLAND COD" AND OTHER "ILLEGAL" FISHING

HMG fully aware of UK industry's concern that zero TAC's, particularly Greenland cod, be respected. Reports of landings by foreign vessels in UK, and information supplied by industry are transmitted to relevant national authorities who are responsible for enforcement of controls on their fleets.

# REPRESENTATIVES OF FISHING INTERESTS

## Mr Tom Boyd Jnr

President of the Hull Fishing Vessel Owners' Association (just gone into liquidation) of which the six Hull trawler owning firms were members.

Director of the trawler owning firm, Boyd Line Ltd, founded by his grandfather, the late Mr Tom Boyd, and director of a number of trawler fishing subsidiary firms.

## Mr D Neil Parkes

President of the British Fishing Federation Ltd. representing all UK deep sea trawling companies. Is aged about 35.
Took over management of the Hull branch of his

Took over management of the Hull branch of his father's firm (Boston Deep Sea Fisheries Ltd) following the death of the previous manager. Has since become Managing Director on the recent retirement of Mr Bill Suddaby.

## Mr Colin Smales

Aged 43. Chairman of Hull Fish Meal & Oil Co Ltd. Managing Director of family firm, F Smales & Son, founded by his father in 1939. Now amongst, if not the largest of the "independent" fish processing firms. Additionally a member of the UK Association of Frozen Food Producers and a member of the National Pederation of Fishmongers.

Also has a small trawler owning interest at the port of Scarborough trading under the name of F Smales Trawlers Ltd (Hull). A major importer and exporter of frozen foods, total turnover last year of fresh and frozen foods reputed to be in the region of £14.6 million.

## Mr Arthur Stirk Cook

President of Hull Fish Merchants Protection
Association. This Association embraces the
majority, but not all, of the Hull fish
merchanting firms and claims a membership of
88 separate firms many of which are small fish
wholesale merchanting businesses.
Managing Director of Bogg Holdings Ltd group of
companies which incorporates fish catching
interests in half of the Bridlington fishing
fleet, processing, freezing, retailing and
transport, the principal processing firm being
Sea-Taste International Ltd.

Principal of Bridlington Trawlers Ltd and Chairman of the Scarborough & Bridlington Fish Producers Organisation.

## Mr Tom Nielsen

Secretary of the Hull Trawler Officers' Guild since about 1968. Formerly a trawlerman and for a short time a Prison Officer.

#### Mr D K Cairns

Regional Secretary of the Transport and General Workers Union since 1974. Joined the Trade Union movement, it is believed, in 1966 and became Trade Group Secretary of the Transport and General Workers Union in Scotland. Known locally to be extremely "left wing".

#### Mr W E Allen

District Organiser of the National Union of General and Municipal Workers. Worked in the Gas industry until he was appointed in 1949 as Secretary of the Kettering Branch of the Union. He took up his present appointment in Hull in 1960. Accepted locally as a "moderate" trade MINISTER'S MEETING WITH DELEGATION FROM CITY OF HULL:

You were present when the Minister and the Minister of State (Commons) met a delegation from the City of Hull led by Mr James Johnson MP. It consisted of representatives of trawler owners, the City Council, trawlermen, workers, merchants and processors. Mr Johnson explained that the delegation wished to see the Minister because the whole city was suffering from the effects of the extension of international fishing limits and our entry into the EEC; and was unique in its degree of suffering.

For the trawler owners, Mr Boyd said that the Hull Association was about to go into liquidation, having begun to sell its assets yet still unable to meet next month's commitments. Had the United Kingdom not joined the Community, bilateral agreements would have been negotiated with other countries, allowing fishing to continue. As it was, fishing opportunities had been so limited that the catch was too small to keep the port going. Sufficient revenue could not be raised from levies on the catch to cover the costs of the port. However, the position of the United Kingdom in fisheries negotiations with the Community would, be weakened if Hull closed as a fishing port.

Mr Boyd pointed out that the freezer fleet provided employment for the port and an important strategic capacity. Its viability was threatened by low priced imports, especially from German vessels which continued to fish at Greenland where British vessels could not. The Icelandic vessels were no longer delivering supplies to the port because cheap German cod was undermining the market.

Mr Boyd said that Mr Silkin had sought assistance from the EEC towards the cost of port subsidies pending the settlement of the Common Fisheries Policy. The industry would welcome progress in settling the Common Fisheries Policy, but feared that the catch reporting system would not prevent cheating. In particular, the French would continue to fish for herring which would be landed at Boulogne and the Germans would continue to fish at Greenland. He regretted that the United Kingdom was being asked to accept 10,000 tonnes of Canadian cod fillets, roughly equivalent to 20,000 tonnes of fresh cod, which was more than the entire distant water cod quota for the United Kingdom. In summary, the Hull Association could not continue without Government assistance and the freezer fleet was in Jeopardy.

Development and Estates The Chairman of the / Committee of the City Council said that Mull was suffering acutely from unemployment and the running down of the older industries. Fish had always been an integral part of the economy of the city and the community that depended upon it was disintegrating. The city was reaching the point of desperation, this being the fourth deputation that the

city had sent to Ministers. Other industries were being hit by the decline of the fishing industry. It was tragic that so many trawlers were now laid up in the port. He asked the Minister what had become of the proposition that Hull should become the centre of the European fishing industry. He asked the Minister to raise the issue with Commissioner Gundelach at Council level.

Representatives of the processing industries and workers pointed out that the processing industry was contracting continuously. Assistance was needed to keep the frozen food industry alive. The effect on the labour force was underlined. It was pointed out by the fish merchants that Hull was an essential part of the national fish distribution system with much fish from Peterhead, Bridlington and Scarborough passing through the Hull auction. It was alleged that Dutch fishermen were exceeding their quota and exporting the excess to Britain at cut prices.

The processors further argued that continuity of supply and the maintenance of the freezer fleet were essential if consumer prices were to be kept stable. Imports were needed, but not of cheap low grade fish. They would support tariffs on Canadian fish, but not on fish landed by Hull vessels. They appealed for aid for the use of industrial species of fish, such as blue whiting and sandeels, in fish meal production. They were pleased at the grants that had been given for exploratory voyages.

The trawler officers' and skippers' representative urged that the dock should be kept open. Other countries were getting rich on fish meal and the United Kingdom should follow suit, insuead of importing it. With Government subsidies, blue whiting could be caught.

The Director of Industrial Development at Hull said that it was clear that the freezer fleet could not continue without a certain minimum catch level. Hull was the last distant water fleet and the Government must consider how the minimum catch level could be provided.

In reply, the Minister said that he recognised the problems of Hull which had been clearly presented by the delogation. A settlement of the Common Fisheries Policy was crucial to the future of the fishing industries, and he and his colleagues had worked hard to create a new atmosphere in which a settlement might be sought. Considerable progress had already been made, and he hoped for a discussion of quotus and access to waters at the March and following Councils. If these went well, agreement on the fisheries policy might then be near.

As for the question of aid, a clearer case could be presented once a framework for the future had been established. Talks were already in train on port charges. Exploratory voyages were under study.

The Minister of State (Commans) was examining a range of measures to assist the industry. With a new Common Fisheries Policy, the European Community would be in a strong position to demand rights of access to the waters of third countries.

On imports, a balance needed to be struck between the needs of our own fishing industry and the fish processing industry. He had asked for evidence of dumping to be provided, but he acknowledged that it was difficult to prove it in the case of an auction market. He recognised the importance of effective catch controls, to prevent evasion. Conservation measures were necessary for the fishing industry itself, though Ministers realised that the mackerel conservation measures had been unpopular with the fishermen in Hull and other ports.

The Minister promised to discuss with Commissioner Gundelach the proposition that Hull should be the centre for the fishing industry of Europe. He emphasised that he wanted the largest possible fishing industry to be retained in the United Kingdom. He asked for evidence to back up allegations that other countries were subsidising their fishing industries. He knew that the French Government was subsidising oil and that the German Government was offering restructuring subsidies. Restructuring subsidies would not solve the cash flow problems of the British fleet however. He promised to take action if evidence were provided of cash flow subsidies. He said that the Department was pursuing the French oil subsidies.

The Minister promised to examine suggestions for developing the fish meal industry, which he was not briefed to discuss. The Minister of State (Commons) reaffirmed the Minister's assurances. It would be easier to decide matters when the framework for the future was known, but that luxury could not be afforded. It was clear that the industry must be kept going in the meantime, and Ministers were examining ways of doing this.

The Minister of State said that the industry had deteriorated quickly since Christmas, forcing Ministers to examine possibilities urgently. He confirmed that the Government was aware of the issue of Canadian fillets and that there would be no deal on these.

Returning to his original theme, Mr Boyd said that the delegation would not be meeting the Minister if the United Kingdom had secured the fishing opportunities that other countries had taken, often illegally. His company had moved into the Nigerian mackerel market, but had had to move out again because it was stopped from fishing for mackerel. The Dutch would now take that market. The Minister expressed understanding, but argued that it showed the need for a Common Fisheries Policy settlement which would prevent such illegalities. It would soon be clear whether a deal could be struck or not. It was useful to have the views of the delegation and Ministers would accelerate the pace of negotiation.

In response to  $\frac{Mr}{r}$  Johnson who asked whether the situation at Hull could be salvaged, the Minister said that he was anxious that

the United Kingdom should retain its near and distant water fleets. He could not guarantee the future, but he believed the fishing industry was very important to the economy of the United Kingdom and Hull. The Government wished it to continue and was under no illusions about the seriousness of the situation. Ministers understood the industry and wished to help it.

Action

I would be grateful if you would advise the Minister on the points raised by the delegation in due course.

•35

GRWATERS 11 February 1980

#### Mr Boyling + 1

cc Miss Rabagliati Mr Steel

Mr Sadowski Mrs Brock Mr Moss

Mr Kelsev Mr Packer

Mr Holmwood Mr Cann PS/SS Scotland



From the Minister's Private Office

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

N Sanders Esq Prime Minister's Office 10 Downing Street London SW1

13 March 1980

Dear Still, PANS AID FOR THE FISHING INDUSTRY

I attach the final text of the statement which Mr Walker is to make to the House this afternoon. As you will see, to meet the Prime Minister's wishes, we have agreed with the Treasury to delete the paragraph about the financial provision for the scheme of aid. That will now be given in a slightly amended form to an inspired PQ to be tabled for answer tomorrow. Obviously if the Minister is pressed on this point in supplementaries after the statement this afternoon he will have to give the omitted text in answer.

I have also taken on board the request from Mr Elliott at the Cabinet Office that we should include the word "on" between "negotiating" and "a" in the third paragraph.

I am copying this letter to Ingham; Stevens (Leader of the House's Office); MacClean (Whip's Office, Commons); Cumming-Bruce (Whip's Office, Lords); Wright, Whybrow, Elliott (Cabinet Office); the private secretary to the Paymaster General, and private secretaries to members of E(EA), OD(E) and the Secretary of State for Northern Ireland.

Your airoses

Carpe Witers

G R WATERS Principal Private Secretary AID FOR FISHING INDUSTRY
STATEMENT BY MR WALKER, 13 MARCH 1980 - FINAL REVISE

With permission, Mr Speaker, I would like to make a statement on the problems of the United Kingdom fishing industry and the Government's plans for providing short-term aid.

When I met representatives of the fishing industry on 23 January, they described the problems which they were experiencing as a result of increasing costs and deteriorating prices. I asked them to provide me with details of their economic position and to suggest ways in which their problems might be eased. When my Rt Hon friend the Secretary of State for Scotland met the Executive Committee of the Scottish Fishermen's Federation on 1 February, he received similar representations and asked the Scottish fishermen for their suggestions on possible action. Fisheries Ministers have now analysed the responses from the industry and we have concluded that assistance from the Government is justified and necessary.

As the House knows, the fishing industry faces great difficulties. It is having to adjust to reduced fishing opportunities. It is uncertain about the future because we are still in the process of negotiating on a Common Fisheries Policy in the EEC. And the recent economic pressures have added substantially to the problems. This is threatening the whole structure of our industry.

To meet this situation the Government intend to introduce two schemes of temporary aid,

. . .

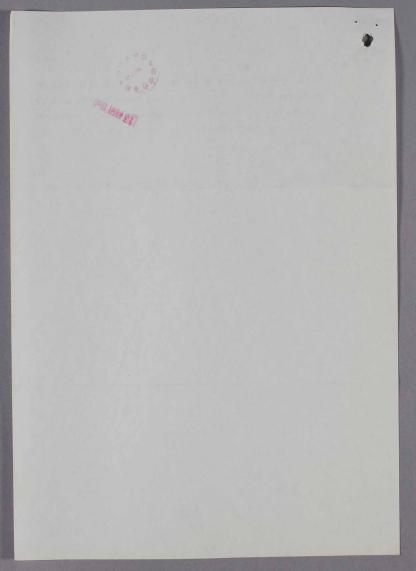
First we propose to make up to £2 million available to the industry through the Fish Producers' Organisations over the period 1 April to 30 September. This will be in the form of financial aids to be used for a range of prescribed purposes. These purposes include helping the industry to cover part of the cost of intervention so as to maintain withdrawal prices, the provision of temporary laying-up premia, the payment of dock, harbour and landing dues and the financing of approved programmes to improve the grading, handling and sales promotion of fish.

It is an important feature of the scheme that it will give Producer Organisations a real degree of discretion so that they can match their efforts to the specific needs of the areas in which they operate. A further statement on the details of the scheme will be made after notification to the European Commission and consultation with the industry, which will take place as soon as possible.

In addition we propose to allocate a further £1 million to extending the programme of exploratory voyages to assess the commercial potential for exploiting under-utilised species.

The Government was urged to act quickly. This we have done. We believe that our proposals taken together will benefit the great majority of fishermen.

The Government remains determined to try to reach a Community Fisheries Policy that provides a good future for the industry, and the decisions that I have announced today will enable the industry to take advantage of an agreement when it is reached.



# **Cabinet / Cabinet Committee Document**

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES.

Reference:

E(EA) 80, 6th Meeting, Minute 1

Date:

12 March 1980

Signed \_ OWayland Date 8 April 2010

PREM Records Team



From the Minister's Private Office

N Sanders Esq Prime Minister's Office 10 Downing Street London SW1 PRIME MINISTER

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

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Dear Nich,

#### AID FOR THE FISHING INDUSTRY

I attach a copy of the statement which Mr Walker hopes to make to the House tomorrow. I would be grateful if you would let me know as soon as possible whether the Prime Minister is content with it. It has been revised to take account of points made at E(EA) this morning.

I am copying this letter to Ingham; Stevens (Leader of the House's Office); MacClean (Whip's Office, Commons); Cumming-Bruce (Whip's Office, Lords); Wright, Whybrow, Elliott (Cabinet Office); the private secretary to the Paymaster General, and private secretaries to members of E(EA) and OD(E).

Your ariveres

G R WATERS
Principal Private Secretary

DRAFT STATEMENT

With permission, Mr Speaker, I would like to make a statement on the problems of the United Kingdom fishing industry and the Government's plans for providing short-term aid.

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As the House knows, the fishing industry faces great difficulties. It is having to adjust to reduced fishing opportunities. It is uncertain about the future because we are still in the process of negotiating a Common Fisheries Policy in the EEC. And the recent economic pressures have added substantially to the problems. This is threatening the whole structure of our industry.

To meet this situation the Government intend to introduce two schemes of temporary aid.

First we propose to make up to £2 million available to the industry through the Fish Producers' Organisations over the period 1 April to 30 September. This will be in the form of financial aids to be used for a range of prescribed purposes.

These purposes include helping the industry to cover part of the cost of intervention so as to maintain withdrawal prices, the provision of temporary laying-up premia, the payment of dock, harbour and landing dues and the financing of approved programmes to improve the grading, handling and sales promotion of fish.

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In addition we propose to allocate a further £1 million to extending the programme of exploratory voyages to assess the commercial potential for exploiting under-utilised species.

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of the Estimates themselves and the confirming Appropriation.

Actor The cost of this scheme, and of the extension of the scheme of exploratory yoyages, can be met under existing

Subheads and, pending the presentation in due course of Supplementary Estimates, expenditure may therefore be met from the Vote on Account. This will be supplemented, if necessary, by advances from the Contingencies Fund. Proposals to increase the Departmental cash limits will be made accordingly.

The Government was urged to act quickly. This we have done. We believe that our proposals taken together will benefit the great majority of fishermen.

The Government remains determined to try to reach a Community Fisheries Policy that provides a good future for the industry, and the decisions that I have announced today will enable the industry to take advantage of an agreement when it is reached.





CHARA

## 10 DOWNING STREET

THE PRIME MINISTER

12 March 1980

Thank you for your letter of 7 March. I am, of course, very well acquainted with the current problems of the fishing industry as both Peter Walker and George Younger have kept me and their Cabinet colleagues closely informed of the situation.

I know also that they have taken every possible action to keep the fishing industry informed of our negotiations for a Community fishing policy. I gather that before every Brussels meeting, and during, they remain in close consultation with the leaders of the industry.

I know that following such a meeting in January Peter Walker asked for information from the industry in order that he could decide what actions might be necessary to sustain the industry during a difficult period.

Likewise, when George Younger met leaders of the industry in Scotland he invited them to prepare a paper for him, both upon the problems and the method of tackling them.

I have maintained a very close personal interest and as for your suggestion of a meeting with the industry, you will know that I am visiting Hull on Friday and made enquiries about inviting you to discuss matters with me there; but I gather that you are going on holiday. I will, nevertheless, have an opportunity on that occasion of further discussions with representations of your industry, including Neil Parkes.

I know, however, that you will be aware that during the months we have been in office Peter Walker, George Younger and Alick Buchanan-Smith have devoted a great deal of time and energy throughout the Community. Largely due to their efforts, progress is now being made towards a Community fishing policy and I hope that you and the industry will continue to give them every support in their efforts.

sgd (Margaret Thatcher)

Austen Laing, Esq., C.B.E.

## PRIME MINISTER

Austen Laing, Director General of the British Fishing Federation, has written seeking a meeting with you on behalf of the fishing industry.

Mr. Walker is angry at this approach. Fisheries Ministers have been in close touch with the industry. In addition, Mr. Laing was sounded about joining your meeting in Hull, but said he would be on holiday so that Neil Parkes, his President, should meet you instead.

Mr. Walker therefore suggests a reply as in the attached draft. You will see that this focusses firmly on Mr. Walker's personal efforts in this field.

MAD

11 March 1980



From the Minister's Private Office

Ministry of Agriculture, Fisheries and Food Whitehall Place London SW1A 2HH

Mike Pattison Esq Private Secretary 10 Downing Street London SW1

11 March 1980

Dea Mike,

We spoke this morning about Austen Laing's letter of 7 March to the Prime Minister and I explained that my Minister was strongly opposed to any idea that Austen Laing might have a meeting with the Prime Minister when she is seeing representatives of the fishing industry at Hull and when Austen Laing was specifically invited to attend this meeting but decided not to do so because he was going on holiday-and himself suggested the alternative of Mr Parkes who will be attending.

My Minister suggests that the Prime Minister reply in the terms of the attached draft.

I attach a copy of Austen Laing's letter for convenience.

I am copying this let be Gropey Rotion.

Your sneety

MISS F H THOMPSON Assistant Private Secretary DRAFT LETTER TO AUSTEN LAING CBE, DIRECTOR GENERAL, BRITISH FISHING FEDERATION

Thank you for your letter of 7 March. I am, of course, very well acquainted with the current problems of the fishing industry as both Peter Walker and George Younger have kept me and their Cabinet colleagues closely informed of the situation.

I know also that they have taken every possible action to keep the fishing industry informed of our negotiations for a Community fishing policy. I gather that before every Brussels meeting, and during, they remain in close consultation with the leaders of the industry.

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10 March 1980

The Prime Minister has received the enclosed letter from the Director General of the British Fishing Federation. I would be grateful for a draft reply for the Prime Minister to send.

You will see that the Federation are asking for an early meeting with the Prime Minister along with representatives of the other principal catching organisations. As you know, the Prime Minister is meeting fishing representatives when she visits Hull on Saturday, including the President of the Federation. In view of this, I wonder whether it is necessary for her to have a further meeting on the lines requested; I would be grateful for your advice.

I am sending a copy of this letter and enclosure to Godfrey Robson (Scottish Office).

T P LANKESTER

Carth Waters, Esq., Ministry of Agriculture, Fisheries and Food

Deg

#### PRIME MINISTER

This letter from the Director General of the British Fishing Federation calls for Government support for the industry. You have already endorsed Mr. Younger's proposal for some sort of package, and E(EA) are considering this on Wednesday with a view to an announcement before the end of the week.

The Federation are also asking for an early meeting with you. You will in fact be meeting the President of the Federation when you visit Hull on Saturday - along with other fishing industry representatives. I doubt whether it is necessary for you to have a further meeting - particularly if we announce a package of assistance later in the week. However, I am getting MAFF advice on this and a draft letter for you to send in reply.

M

10 March 1980

I am writing to acknowledge your letter of 7 Mzrch, which I have placed before the Prime Minister.

A further reply will be sent to you as soon as possible.

T P LANKESTER

Austen Laing, Esq., C.B.E.

Secretary: I. C. Thorburn



Your Ref.:

AL/JB/70

## BRITISH FISHING FEDERATION LIMITED

Registered Office:

Trinity House Chambers, 12 Trinity House Lane, Hull,
Registered No.: 151343 England North Humberside, HU1 2JF

Telephone: Hull (0482) 26718 (3 Lines).

Telegrams: Trawlfed Hull.

7 March 1980

The Rt. Hon. Margaret Thatcher, MP, Prime Minister,

LONDON

(New Prim Minutes,

10 Downing Street,

88/3

The British Fishing Industry is in a virtually unprecedented critical condition. Within the past five years, the trawling fleet has been forced to contract by more than two-thirds: from over 450 to less than 150 vessels. Hull, not so long ago Europe's biggest fishing port, has virtually ceased to exist; Fleetwood has been teetering on the brink of closure for some little time; Aberdeen may shortly be in the same position with Grimsby, Lowestoft and Milford Haven on its heels. These are the major trawling ports which, with North Shields, are represented by this Federation. The numerous inshore fishing ports scattered around the coasts of the UK are being pushed by growing difficulties into positions which may soon erupt into extreme actions.

All this has resulted from factors over which the Industry has no control and through no fault of its own. Without early and interim financial aid until the problem of the Common Fisheries Policy (CFP) is settled, the Industry generally is in danger of widespread collapse. The Fishing Industry has never lacked that enterprise, individual initiative and resilience on which competitive efficiency so heavily depends. It has for long endured an imbalance in the terms of competition from the heavy subsidisation of foreign fishing competitors as well as of producers of competing agricultural foodstuffs. But the imbalance has grown to unbearable levels.

It is not merely that the subsidisation of foreign fleets both within and without EEC - has increased in recent years; there has been also a growing disparity in the catch restraints to which fishing vessels are subject in fact. Britain has maintained a responsible attitude towards conservation and has compelled her fishing fleets to act accordingly. In general, other countries have not, so that the earnings of our competitors have been boosted by the resultant relative enlargement of their catches as well as by direct and indirect subsidies. Our earnings, on the other hand, have been depressed by catch restrictions and, with increasing force in recent months, by the burgeoning imports of fish that has often been irrespondibly if not illegally caught.

Before the last Election, we were relieved to have your assurance that you would not agree to any revision of the CFP which, among other things, did not retain for the British industry a high proportion of the UK's potentially abundant marine resources on which a proportionately large and thriving industry could be securely based. We continue to rely on that assurance. But, without the maintenance of a balanced fleet with an adequate catching capacity and adequate shore-side facilities, the rich marine harvest could not be reaped by Britain.

To allow the accelerating rate of deterioration of the Industry to continue would mean a wasteful loss of jobs both ashore and afloat in areas where unemployment generally is already above average. It would mean also an increase in the import bill to a much greater proportionate extent than the fall in British catches; greater dependence on imports would both drive up import prices and lead to a much greater proportion of imports in a processed (more value-added) form. Moreover, it would mean a loss of that part of the UK's negotiating capital which is represented by the relative size of its fishing fleet.

Above all, it would involve a further substantial donation to the rest of the Community. The marine resources within UK jurisdiction, when properly restored to health, are capable of yielding an annual harvest worth about £700m in terms of current quayside prices. To settle for the kind of figure which the EEC has been proposing would mean giving to the rest of the Community nearly £500m a year in perpetuity.

We know that you and your colleagues will not let this happen or allow to continue the massive donation to which they are now helping themselves as a result of the licence which other Member States have taken to help themselves to fish from our waters in largely unrestricted amounts totalling, perhaps, £300m a year.

We would very much welcome an early opportunity of discussing our problems with you on an Industry basis (that is to say with representatives of the other principal catching organisations as well as of this Federation). It is our intention to hold a major Press Conference in the near future to publicies the dangers facing us. We would prefer to defer this until shortly after we had had a meeting with you.

We anxiously await a reply.

I am copying this letter to Mr. Peter Walker and Mr. George Younger.

Your sinusty and along

AUSTEN LAING Director-General

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Prime Minister

AID TO THE FISHING INDUSTRY

14,

I have seen George Younger's and Peter Walker's minutes to you proposing £3 million of aid to the fishing industry, with which Humphrey Atkins agrees. I note John Biffen's opposition to the proposal.

- 2. We have an important and difficult task in the coming months in carrying the fishing industry with us in the negotiations for an acceptable settlement of the Common Fisheries Policy and through the alarms and anxieties which will be inevitable if, against our wishes, fisheries and the budget become linked. It is clear that there is widespread unease and economic difficulty in the industry. If £3 million has a significant effect in strengthening the industry's confidence in the Government and the future of their industry it seems a price well worth paying.
- 3. I also think it important that we take a longer term view of what can be done to help the fishing industry to adjust to changing conditions and to improve its performance. This includes the processing of fish; it cannot be good for our trading position that such a large proportion of fish caught in our waters is sold abroad untreated including, I understand, a high proportion of the mackerel catch.
- 4. There is one specific European Community point. We would have to notify State Aids of the kind proposed to the Commission under Article 93.3 of the Treaty of Rome and would not be able to proceed until we had received the Commission's approval that they do not distort competition and are compatible with Article 92. Failure to comply with the procedure would risk European Court

/action

action against us which could be damaging at this juncture of the Common Fisheries negotiations. Since the procedure normally takes two months, we would need a major political push to get approval more quickly.

- 5. On the point raised in paragraph 4 of John Biffen's minute, we have never in fact objected to the French financing entirely by themselves a sheepmeat intervention system. This is not therefore a valid argument against national aid to the Fish Producers Organisation.
- 6.  $\,$  I am copying this minute to the recipients of the other correspondence.

1.H. 7.

7 March 1980



10 DOWNING STREET

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Trade

From the Private Secretary

7 March 1980



The Prime Minister has considered your Secretary of State's minute of 3 March proposing aid for the fishing industry, together with the Minister of Agriculture's letter of the same date, the letter of 4 March from the Secretary of State for Northern Ireland, and the minute of 5 March from the Chief Secretary.

The Prime Minister believes that, on political grounds, there is an urgent need fir assistance to the industry, and she has noted that there is already 13 million in PESC for such assistance—though this was originally intended for a restructuring scheme. As for the economic arguments, she believes that the combination of problems which the industry is having to face is unique, and that some help to see it over these difficulties would be justified.

The Prime Minister would like the financial and Community implications of Mr. Younger's proposal to be further explored by officials under Cabinet Office chairmanship, with a view to briefing their Ministers for a meeting of E(EA) which has been provisionally set for Wednesday morning. She would like an announcement, if possible, by the end of next week.

I am sending copies of this letter to Garth Waters (MAFF), George Walden (PCO), George Craig (Welsh Office), Roy Harrington (Northern Ireland Office), Alistair Pirie (Chief Secretary's Office), Ian Ellison (Department of Industry) and David Wright (Cabinet Office). I am also sending a copy of this letter together with copies of correspondence referred to above to the Private Secretaries to other members of E(EA).



2. The case rests on both economic and political grounds. As to the former it is argued that the total value of the United Kingdom catch was lower in 1979 than in 1978 (even in current price terms) while costs have been increasing, particularly fuel costs. The political argument set out in the fourth paragraph of the Minister of Agriculture's letter is that failure to act would cause the present leadership of the industry to be overturned by the militants, who would try to prevent a satisfactory outcome of the Common Fisheries Policy (CFP) negotiations. There is also the risk that Conservative backbenchers from the fishing constituencies would be alienated as these negotiations get closer to their crunch point.

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5. The proposal advanced by the fisheries Ministers is that £5 million should be spent over the next six months or so, £2 million of which would be made available to producer organisations to spend at their discretion for a wide range of purposes. The remaining £1 million would be spent on a programme of exploratory voyages to investigate the viability of new fishing grounds and unfamiliar species. There is statutory cover for expenditure on exploratory voyages but aid paid to producer organisations is proposed to be covered only by the Appropriation Act. As to the source of these funds, there is, as the Chief Secretary points out, £5 million in the Public Expenditure Survey for the Fisheries Departments but this sum was intended for restructuring when the CFP was settled.

4. Both types of expenditure would need to be cleared with the Commission was with ander the procedure laid down in Article 93 of the Treaty of Rome. They would probably agree to expenditure on exploratory voyages, but aid to

producer organisations of the type envisaged might not conform to the Community's competition rules.

- 5. The Chief Secretary, Treasury, objects that the grounds on which the assistance is proposed to be given (high fuel costs, high interest rates, rising imports) apply to many other industries besides fisheries; that it is wrong to introduce, without proper Parliamentary authority, a novel type of aid to be administered by non-governmental bodies; that some of the purposes of the aid are inconsistent with aspects of Government policy towards sheepmeat and a possible Community scheme for restructuring the fishing industry; and that the proposal carries a serious risk of giving rise to pressure for further aid when the six months is up and the \$25 million has been spent and of thus creating a charge on the Contingency Reserve.
- 6. It is clear that further work needs to be done before the issue is ripe for Ministerial decision. Since the Commission have the final say and rejection could be embarrassing to the Government, the Community implications need to be looked at carefully before even an informal approach is made to the Commission to see whether the scheme conforms to the competition rules of the treaty. We also need a fuller assessment of whether such a scheme would in fact be helpful in the context of re-negotiating the Common Fisheries Policy. Rather than buying time now, for example, it might be better (as the Chief Secretary's minute implies) to defer any Government aid until it can be used as a means of reconciling the industry to the less palatable aspects of a CFP settlement. And the financial and Parliamentary implications call for further study in the light of the Chief Secretary's objections.
- 7. In essence this is an application for industrial assistance and the right way to process it would be for it to go to E(EA). But for the reasons mentioned above I recommend that before then the financial and Community aspects of the proposal should be thoroughly explored by officials under Cabinet Office chairmanship with a remit to report to E(EA) within two weeks.

8. I attach a draft minute in this sense which your Private
Secretary might send to the Private Secretary to the Secretary of
State for Scotland.

P.D. ROBERT ARMSTRONG

6 March 1980

Contraction

DRAFT MINUTE FROM MR ALEXANDER TO MR ROBSON, PRIVATE SECRETARY TO SECRETARY OF STATE FOR SCOTLAND

#### AID FOR THE FISHING INDUSTRY

The Prime Minister has considered your minute of 5 March proposing aid for the fishing industry, together with the Minister of Agriculture's letter of the same date, the letter of 4 March from the Secretary of State for Northern Ireland and the minute of 5 March from the Chief Secretary, Treasury.

- 2. She believes that the proposal, and in particular its financial and Community implications, needs to be further explored urgently by officials under Cabinet Office chairmanship, and that when their report is available the issue should go to E(EA) for early discussion. She has asked Sir Robert Armstrong to arrange accordingly.
- I am sending copies of this mimute to the Private Secretaries of the recipients of your Secretary of State's minute of 5 March, and to Ian Ellison.



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C.C Bloghan

PRIME MINISTER

#### AID TO THE FISHING INDUSTRY

I have seen a copy of George Younger's letter of 3 March and of the letters from Peter Walker and Humphrey Atkins of 3 and 4 March which support it.

I do recognise that the current CFP negotiations are in a delicate phase and that this makes it important for the Government to maintain good working relations with the leaders of the fishing industry. But I cannot agree that considerations of this kind override the serious objections to George Younger's proposals.

The immediate difficulties of the fishing industry stem from the high price of oil, pressure of imports arising from the strong pound and high interest rates, problems which face the rest of British Industry. To step in with direct government aid to the fish Producer Organisations would seem quite inconsistent with our general approach.

Apart from this general difficulty, I see strong objections to introducing, without proper Parliamentary authority, a quite new type of aid, which would be administered by non-governmental bodies. And some of the purposes for which the Producer Organisations would be authorised to use the aid are objectionable in themselves. For example, giving aid for Producer Organisations to operate intervention prices which they would themselves determine contrasts sharply with the line we have taken with the French over intervention for sheepmeat. And aidfing the temporary laying up of vessels would undermine our resistance to a similar proposal which has been made by the Commission as part of their proposal for a Community wide restructuring scheme.

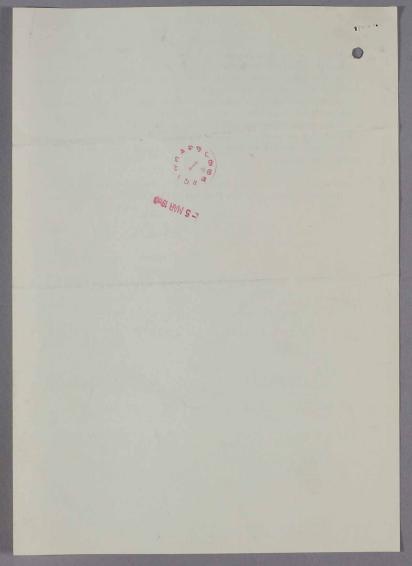
Chally, I see in this proposal a serious risk of a charge on the Contingency Reserve. In the Public Expenditure Survey we allocated £3m to the Fisheries Departments because we recognised that following a settlement of the Common Fisheries Policy there might be a need for a restructuring scheme to help adapt the UK Industry to its new fishing opportunities. I presume that the £3m referred to in the note by officials would be met by this provision. But nothing in George Younger's letter encourages me to hope that introducing the scheme he is now proposing will prevent him from subsequently proposing a restructuring scheme.

I am copying this minute to George Younger, Peter Walker, Peter Carrington, Nicholas Edwards, Humphrey Atkins and Robert Armstrong.

Arline

JOHN BIFFEN 5 March 1980

[Approved by the Chief Secretary and signed in his absence]



E. B Inchan

SECRETARY OF STATE FOR NORTHERN IRELAND

The Right Hon Peter E Walker MBE MP Minister of Agriculture, Fisheries and Food Whitehall Place London SWLA 2HH

NORTHERN IRELAND OFFICE GREAT GEORGE STREET, LONDON SWIP 3AJ

March 1980

# Dear Minister

AID FOR THE FISHING INDUSTRY

I am grateful to you and George Younger for sending me copies of your letters of 3 March to the Prime Minister seeking her support for the provision of Government aid for the fishing industry in the coming months.

I believe the arguments you have put forward in support of your proposals are entirely sound and logical in the present circumstances of the fishing industry throughout the UK and in the light of the forthcoming CFP negotiations. Giles Shaw has been well aware for some time of increasing anxiety in the sea fishing industry in Northern Ireland and he has been coming under strong pressure from industry representatives and MPs. This anxiety is mainly due to the diminished profitability of fishing, particularly in recent months but also to the escalation in operating costs concurrently with static or falling fish prices, to fishing restrictions which the fishermen are increasingly having to face and to declining fish stocks. It is clear that the position is critical and I am satisfied that an announcement of aid on the lines now proposed, if it could be made in the near future, go some way at least to restore the industry's confidence in the Government's concern for its future. I am confident that the political reaction to such an announcement would be favourable and would help to defuse the tense and uncooperative attitudes which have recently been developing in the fishing ports. If, as I hope, these proposals are approved, details of their application to Northern Ireland would need to be fully worked out in consultation with the Department of Agriculture (Northern Ireland).

I am copying this letter to the Prime Minister, George Younger, Peter Carrington, Nicholas Edwards, John Biffen and Sir Robert Armstrong.

HUMPHREY ATHINS

(Signed on behalf of the Secretary of State in his absence)



SCOTTISH OFFICE
WHITEHALL, LONDON SWIA 2AU

## CONFIDENTIAL

PRIME MINISTER

AID FOR THE FISHING INDUSTRY

As you will know, the fishing industry is passing through a period of great difficulty. It is having to adjust to reduced fishing opportunities and it is apprehensive about the future because of our continuing difficulties in the CPP negotiations. More immediately, however, it is suffering from a very severe squeeze on its profitability, which is threatening the ability of many boats to remain in business.

I believe strongly - and Peter Walker shares my view - that if we are to retain their confidence, the industry must be given some Government aid over the coming months. You will remember that this view was also expressed very forcefully from all sides of the House in the fisheries debate on 14 February.

The arguments are both economic and political. As the attached paper by officials shows, the total value of the UK catch in 1979 is estimated at £253m compared with £255m in 1978. In real terms this represented a significant reduction. At the same time as gross earnings have been declining, costs have been increasing. The rise in fuel costs, which constitute some 25% of a boat's operating costs, has hit the fishing industry especially hard. They have also suffered more seriously than their EEC competitors from high inflation rates generally and from high interest rates. This latter factor is particularly relevant since many fishermen have taken on heavy commitments on new or improved boats in recent years. Some owners are suspending operations meantime in the hope that the situation will improve: others are being forced out of the industry altogether. Our fishermen also complain, and our enquiries tend to bear them out, that their competitors in other EEC countries and elsewhere are being subsidised to a considerable extent. We know, for example, that the French and Italians are paying a fuel subsidy and the Germans last week obtained the approval of the Commission to do the same.

The political arguments for making some temporary aid available to the industry seem to me even stronger. Scottish fishermen

in particular are in militant mood. The more responsible of their leaders have so far been able to hold off any precipitate action by the militants by telling them that the Government are urgently considering the case they have made for aid. But time is running out. A second mass meeting of fishermen similar to that held recently at Peterhead is being arranged for 15 March to consider what action they should take.

A further complication is that the SNP who are strongly represented among the rank and file, are stirring the situation up and are gunning for the present leadership as well as for the Government.

There is a very real danger that if we do nothing to help the industry in its difficulties, the responsible leaders will lose out to the extremists. This would increase the risk of some serious action being taken such as a blockade of the ports against imports. Even more importantly, it would destroy the close collaboration which we have always enjoyed with the present leaders of the industry in seeking to negotiate realistic solutions to our CFP difficulties. We are as you know at a particularly delicate stage in the negotiations and it would be highly damaging if we were now to lose the confidence of the fishing industry which we have all along been so careful to nurture.

Both the Chief Whip and the Scottish Whip have reported to me that our backbenchers in the North-Last of Scotland are deeply disturbed. Whilst most fishermen acknowledge our efforts in relation to the renegotiation of the Common Fisheries Policy, many fear that we may abandon them to financial disaster in the meantime. Some of these views have been put to you directly.

For all of these reasons, Peter Walker and I consider that some money should be injected quickly into the industry to help it through the next 6 months or so. We hope that by the end of that period, we may have achieved a breakthrough in the CFP negotiations and also that the current marketing difficulties might have lessened. As you will see from the attached paper we have in mind a relatively small amount of up to E3m. Out of this we envisage that about £2m should be made available to the producer organisations to spend at their discretion for a range of purposes. This would aim to give maximum scope for local variation in the way in which the money is spent. A further £1m would be used to fund exploratory vovages. We will, of course, have to ensure that the EEC Commission do not object to our taking such action on a strictly temporary basis but, given their own desire for a settlement of the Common Fisheries Policy, we would hope that they would not raise difficulties. The funding of the measures we are suggesting will, of course, have to be considered further but I am hopeful that ways can be found round this difficulty.

I hope that you agree with us on the need to make a political gesture to the fishing industry at this particularly difficult time and on the suitability of the measures we are proposing. We would, of course, be ready to discuss this further with you or with colleagues if you wish.

I am copying this letter to Peter Walker, Peter Carrington, Nicholas Edwards, Humphrey Atkins, John Biffen and Robert Armstrong.

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CONFIDENTIAL AID FOR THE FISHING INDUSTRY NOTE BY OFFICIALS OF THE MINISTRY OF AGRICULTURE, FISHERIES AND FOOD AND THE DEPARTMENT OF AGRICULTURE AND FISHERIES FOR Economic Position of Industry compared with The total value of the UK catch in 1979 is estimated to have been £253m/ £255m in 1978, a sharp fall in real terms. The position has deteriorated rapidly and markedly in the last month or two. For example, in January, first-hand prices in the six major ports in England and Wales for both god and haddock were about £100 a tonne (16%) below 1979 levels while plaice prices were no higher than in the previous year. Prices have fallen even lower in February. Meantime costs have been increasing. The industry's main costs, other than labour, are fuel and interest charges. Increases in fuel costs, some 25% of a boat's operating costs, have hit the fishing industry especially hard. We also have the highest interest rates in Europe. This is particularly significant to the many inshore fishermen who have taken on heavy commitments in recent years. The UK fishing industry has also suffered more seriously than its EEC competitors from high inflation rates generally. As a result some owners are suspending operations: others have been forced out of the industry altogether.

on heavy commutents in recent years. The UK Inshing industry has also suffered more seriously than its EEC competitors from high inflation rates generally. As a result some owners are suspending operations: others have been forced out of the industry altogether.

3. At the same time imports have been rising. Between 1977 and 1979 imports of the main demersal species increased by 130,000 tonnes (458). The present strength of sterling only serves to increase the attractiveness of our market, enabling overseas suppliers to take lower prices than they otherwise might have done, whilst preserving the value of

prices than they otherwise might have done, whilst preserving the value of their returns in their own currencies. Within the total, imports from other EEC countries have virtually doubled over the last two years. This is a particular cause for concern since, as our fishermen point out, their competitors in other EEC countries, and elsewhere, are benefiting from operating subsidies - for example the French, Italians and Germans are all paying substantial fuel subsidies. Moreover, it is maintained that we are applying conservation policies much more stringently than most other EEC countries, again putting our fishermen at a competitive disadvantage.

4. The political arguments for making some temporary aid available to the industry are very strong. At the present particularly delicate stage in the CFP negotiations, the UK cannot afford to lose the confidence of the UK fishing industry by failing to respond to the pressure which has come from the industry, supported by all sides of Parliament, for a short-run scheme of aid to help them through their immediate difficulties. What is needed is an aid programme over the next few months while the CFP negotiations are at a critical stage.

5. If nothing is done for the industry, there is a real risk that the present relatively responsible leaders will lose out to the extremists. This would increase the likelihood of direct action (the possibility of a blockade of the ports against imports has been suggested). The ousting of

the present leaders could more importantly destroy the basis on which we have been working with the industry towards an acceptable settlement of the CFP neopotiations.

# Proposed Measures

- 6. It is therefore proposed to give financial aid, totalling £3 million over a period of six months or so, to the UK fishing industry. Of this sum £1 million would be made available for exploratory voyages and £2 million in the form of financial support to Producer Organisations (FFOS).
- (a) Exploratory Voyages
- 7. A programme of exploratory voyages is being designed with the special needs of the deep-water fleets (principally based on Grimsby and Fleetwood) and of the middle-water fleet (principally based in Aberdeen) in mind. In addition to providing aid for these hard-pressed sectors of the industry, it would also produce scientific evidence which should prove useful in the longer term. This money would be spent in such a way as to help to secure that the package as a whole achieves equitable coverage on geographical grounds and between different sectors of the fleet. Exploratory voyages are a well-precedented means of injecting money into the industry and should be acceptable to the EEC Commission.
- (b) Aid to Producer Organisations
- 8. It is proposed that the sum of up to £2 million be made available to FPOs over the period l April to 30 September 1980 in the form of non-recurring grants for a range of eligible purposes. Crants would be made to FPOs in proportion to their share of the fishing effort. It would be open to each FPO to allocate these funds at its own discretion to any or all of the eligible forms of expenditure, which would include a proportion of the cost of supporting market prices through the withdrawal price system, payment of dock, harbour and landing dues, temporary laying up premiums and programmes to improve the grading and handling of fish.
- 9. It must be acknowledged that there would be problems in this approach. Full and direct coverage of the industry would not necessarily be complete if those fishermen who are not presently members of FFOs chose, for whatever reason, to stay outside. But even they should benefit indirectly from any sensible action taken by FFOs to firm up the market. It could pose a strain on the administrative resources of some of the FFOs. And control over expenditure might not be quite as complete as it would be with an aid scheme administered directly by Departments. But these objections have to be set against the need to act quickly. We see no alternative to using the FFO structure if quick action is to be taken.
- 10. The course proposed could indeed have significant advantages. The aid would be channelled through organisations which were set up under the Community's Marketing Regulations and their status would be enhanced. This could help in the task of persuading the Commission to accept the aid programme. It would also avoid any need to increase Departments' staffs. Most importantly it would recognise that the industry's current problems vary from one sector to another and from one region to another. This was

reflected in the wide range of proposals for giving aid which have been put to Pisheries Ministers in recent weeks. By allowing the Producer Organisations to choose between specified alternatives, the Government would ensure flexibility of approach and would permit those involved in the day-to-day working of the industry to decide what is right in their own local circumstances.

11. There is no specific statutory authority for the proposed producer aid scheme. It it is agreed, the expenditure would rest on the authority of the Appropriation Act. The proposed exploratory voyages can be funded using existing powers.



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



From the Minister

The Rt Hon Margaret Thatcher MP 10 Downing Street London SW1

3 March 1980

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George Younger has written to you today about the problems of the fishing industry, giving particular emphasis to the difficulties in Scotland. I fully support his conclusion that we must move quickly to give the United Kingdom fishing industry direct financial support over the next few months.

The economic background and the kind of aid programme we have in mind is set out in the paper prepared by officials. I agree with their assessment of the situation.

I want particularly to underline the political dimension. Our main objective in the fishing sector is to secure an acceptable and realistic outcome to the negotiations on the Common Fisheries Policy. To do this we must carry the industry with us and we have so far managed to do so. But the present moderate and sensible leaders of the industry, with whom we have established sound working relationships, are now under very real pressure. This pressure stems directly from the immediate financial problems described in the paper by officials. We have just seen the death of Hull as a major fishing port. We cannot afford the risk that other ports might go the same way or that the whole situation might turn sour on us.

If we do nothing to respond to the industry's appeals for aid, and quickly, I see a very real danger that the present leadership will be overturned by the militants whose main theme will be that the Government is prepared to accept increasing penetration of the UK market by subsidised imports from other EEC countries and cannot be relied upon to work for a fair outcome to the CFP negotiations.

A negative response to the industry's appeals for assistance, which were supported on all sides of the House in the fisheries Debate on 14 February, might well be interpreted by the other Member States in the same way. It will be hard enough to win a fair outcome to the fisheries negotiations. We cannot afford to weaken our negotiating position in this way. Nor can we risk having to fight on two fronts.

I hope, therefore, that we can move to head off these risks by announcing the modest aid measures George Younger and I have in mind as soon as possible.

I am copying this letter to Peter Carrington, Nicholas Edwards, Humphrey Atkins, George Younger, John Biffen and Robert Armstrong.

PETER WALKER

PART ends:-

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PART 2 begins:-

MARK a PM 3/3/80.