

PREM 19/1493

FISHING LIMITS
 EEC COMMON FISHERIES POLICY
 AID TO FISHING INDUSTRY
 THE HAVRE AGREEMENT

FISHING
INDUSTRY

PT 1: MAY 1979

PT 5: SEPT 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
27.9.81		30.9.82		15.2.83		23.5.85	
9.10.81		11.10.82		1.7.83		4.6.85	
20.10.81		18.10.82		7.7.83		14.6.85	
10.10.81		30.10.82		14.7.83			
29.10.81		27.10.82		25.7.83		PAULI ENDS	
2.10.81		28.10.82		7.12.83			
19.11.81		3.11.82		8/12/83			
9.12.81		4.11.82		18.2.84			
24.12.81		4.11.82		27.7.84			
2.2.82		11.11.82		31.7.84			
3.3.82		17.11.82		1.8.84			
11.3.82		18.11.82		6.8.84			
16.3.82		26.11.82		10.8.84			
18.3.82		30.11.82		22.8.84			
4.6.82		1.12.82		7/9/84			
14.6.82		2.12.82		19.9.84			
15.6.82		9.12.82		22.3.85			
17.6.82		16.12.82		29.3.85			
21.6.82		20.12.82		16/4/85			
22.6.82		22.12.82		18/4/85			
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29.6.82		7.2.83					

PREM 19/1493

PART 5 ends:-

CDP to R Hatfield 14/6/85

PART 6 begins:-

ss/Energy to CST 3/7/85

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(84) 30 th Meeting, item 3	13/09/1984
CC(83) 26 th Meeting, item 3	28/07/1983
CC(83) 24 th Meeting, item 3	21/07/1983
CC(83) 23 rd Meeting, item 3	14/07/1983
CC(83) 22 nd Meeting, item 3	07/07/1983
EQO(L)(83) 12	15/02/1983
CC(83) 1 st Meeting, item 3	20/01/1983
CC(82) 53 rd Meeting, item 3	16/12/1982
CC(82) 52 nd Meeting, item 4	09/12/1982
CC(82) 51 st Meeting, item 3	02/12/1982
CC(82) 50 th Meeting, item 3	25/11/1982
CC(82) 49 th Meeting, item 3	18/11/1982
CC(82) 48 th Meeting, item 3	11/11/1982
CC(82) 47 th Meeting, item 3	04/11/1982
CC(82) 45 th Meeting, item 4	28/10/1982
CC(82) 44 th Meeting, item 3	21/10/1982
CC(82) 43 rd Meeting, item 3	14/10/1982
CC(82) 42 nd Meeting, item 3	30/09/1982
CC(82) 41 st Meeting, item 2	09/09/1982
CC(82) 39 th Meeting, item 3	22/07/1982
CC(82) 36 th Meeting, item 3	01/07/1982
CC(82) 35 th Meeting, item 4	24/06/1982
CC(82) 32 nd Meeting, item 3	09/06/1982
CC(81) 37 th Meeting, item 3	19/11/1981
CC(81) 34 th Meeting, item 3	29/10/1981
CC(81) 33 rd Meeting, item 4	20/10/1981
OD(82) 8	26/02/1982

The documents listed above, which were enclosed on this file, have 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

Signed J. Gray

Date 29/1/2014

PREM Records Team

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, 7 December 1983, columns 370 to 442: Fisheries

House of Commons HANSARD, 1 July 1983, columns 826 to 829: Fisheries Council

House of Commons HANSARD, 26 January 1983, columns 905 to 915: Council of Fisheries Ministers

House of Commons HANSARD, 22 December 1982, columns 951 to 956: Council of Fisheries Ministers

House of Commons HANSARD, 30 November 1982, columns 143 to 150: Fisheries Council

House of Commons HANSARD, 9 November 1982, columns 435 to 443: Fisheries Council

House of Commons HANSARD, 27 October 1982, columns 1051 to 1052: Fisheries Council

House of Commons HANSARD, 22 July 1982, column 542: Council of Agriculture Ministers

House of Commons HANSARD, 9 December 1981, columns 877 to 888: Common Fisheries Policy

Signed _____

J. Gray

Date _____

29/1/2014

PREM Records Team

COZAPS file X/B



10 DOWNING STREET

14 June 1985

From the Private Secretary

FUTURE FISHERIES PROTECTION ARRANGEMENTS AND OFFSHORE PROTECTION

Thank you for your minute of 14 June. The Prime Minister has not so far been made aware of the exchanges on these issues. My judgement is that she would prefer another Minister, perhaps the Lord President, to take charge of efforts to settle the future of Offshore Protection and its financing. That would also keep open the option of being able to deal with Fisheries Protection without a meeting of OD.

But if Sir Robert Armstrong's considered view is that all the issues need examining in OD, I agree that we ought to arrange a meeting in July. In that case, perhaps the Cabinet Office could do a short paper setting out the issues on Offshore Protection.

CHARLES POWELL

Richard Hatfield, Esq.,
Cabinet Office.

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Ref. A085/1614

MR POWELL

Future Fisheries Protection Arrangements And
Offshore Protection

Sir Robert Armstrong has seen the Ministerial correspondence on the subject of the Offshore Protection Force, most recently the Chief Secretary's letter of 23 May to the Secretary of State for Energy and Mr Walker's letter to the Home Secretary of 4 June.

2. Following a decision by Ministers last August an interdepartmental Group, chaired by the Cabinet Office, has been examining a proposal of the Fisheries Departments to civilianise and contract out the element of the "Offshore Tapestry" concerned with fisheries protection. The Group hopes to present its findings to Ministers early in July.

3. The Fisheries Departments' proposal will, of course, have implications for other elements in the "Offshore Tapestry", including Offshore Protection. Sir Robert believes that it is important that the uncertainty surrounding the future of Offshore Protection and its financing should be removed as soon as possible. He therefore suggests that a meeting of OD be convened during July at which this issue might be considered, together with the Report on Future Fisheries Protection Arrangements.

4. The Chief Secretary has suggested in his letter of 23 May that any outstanding difficulties regarding the provision of High Security Fences for the main oil and gas terminals should be discussed at the same time. While this is not strictly a matter

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for OD, discussion of it on the same occasion would clearly be convenient.

5. I am sending copies of this minute to the Private Secretaries to those Ministers who attend OD.

A handwritten signature in blue ink, appearing to be 'R P Hatfield'.

R P HATFIELD

14 June 1985

CONQUEROR

CONFIDENTIAL



Fishing Industry:

Fishery Limits

PT 5.

COMPTROLLER



SECRETARY OF STATE FOR ENERGY
THANKS HOUSE SOUTH
MILLBANK LONDON SW1H 9AT

NBRM

01 211 6402

CDP
4/6

The Rt Hon Leon Brittan QC MP
Secretary of State for the
Home Department
Queen Anne's Gate
LONDON
SW1H 9AT

4 June 1985

OFFSHORE PROTECTION FORCE

Thank you for your letter of 21st May.

My earlier letters explain the reasons why I believe the circumstances, which influenced decisions setting up the Offshore Protection Force in the mid-1970s, have changed. My Department's resources are now tightly squeezed. I have, therefore, had to scrutinise my expenditure programmes very thoroughly, justifying priorities on the basis of value for money.

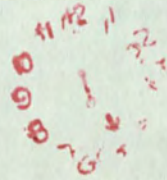
The fencing of the key points (which were the subject of my letter to Peter Rees of 3 May) and contributing to the cost of patrolling offshore installations are not connected issues. The Offshore Protection Force, quite simply does not offer value for money, in terms of the objectives for my Department. The operational capability in respect of maritime counter terrorism is, of course, a matter for you and Michael Heseltine.

I am copying this letter to the Prime Minister, Willie Whitelaw, Nigel Lawson, Michael Heseltine, George Younger, Nicholas Edwards, Norman Tebbit, Michael Jopling, Douglas Hurd and Sir Robert Armstrong.

PETER WALKER

FISHING IND; Fishing Limits; P&S.

4 JUN 1985



CONFIDENTIAL



MBM

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Peter Walker MBE MP
 Secretary of State for Energy
 Department of Energy
 Thames House South
 Millbank
 London
 SW1P 4QJ

23 May 1985

HIGH SECURITY FENCES/OFFSHORE PROTECTION FORCE

Thank you for your letter of 3 ^{was request if required} May suggesting a way forward on the construction of the high security fences. Since your letter brings in the question of your continuing contribution to the Offshore Protection Force, it may also be convenient if I comment on the recent correspondence on this subject between you, Leon Brittan and Michael Heseltine, which was copied to the Chancellor.

I am grateful for your offer to find up to £18 million for the cost of the fences from within your own baseline. Whilst this is of course, in line with our agreement last Autumn at the bilateral that you would absorb the cost of all such additional bids, I recognise that it has not been easy for you to make this money available.

I think we are all agreed that the fences at the gas terminals should be the priority. My feeling is still that British Gas has a major interest in adequate protection of these terminals, given the cost to them of any disruption of supply. I would be grateful if you could consider whether the imminence of privatisation would make another approach to them worthwhile. It occurs to me that the prospect of having to answer to shareholders for the cost of disruption might make them more ready to pay than in the past.

If you conclude, however, that a further approach would not be worthwhile, I would have no objection to your paying for work on fences for the two gas terminals from the savings you have offered. From the figures in your letter it would also appear possible to construct the fences at the two Forties sites within the £2 million, £4 million and £4 million respectively that you are offering. Subject to my officials being satisfied that these savings can actually be delivered and that the costs of the fences can be contained within

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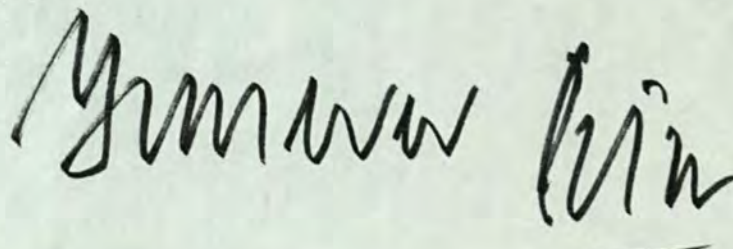
this profile I would be prepared for these fences to be constructed as well.

This leaves us with Sullom Voe and your proposal to cease your Department's contribution to the Offshore Protection Force. Whilst I have considerable sympathy with your view on the deterrent value of the OPF, I do not think it would be appropriate for you to take unilateral action in this manner. It is only reasonable in any customer/client relationship to give adequate notice of termination, but your letter to Michael Heseltine was sent barely a week before the end of the financial year. In addition your actions do have some bearing on the conclusion of the review of civilianisation of fishery protection being undertaken by officials. I agree with Michael and Leon that we should discuss your proposal when we consider the officials' report and that current arrangements should continue in the meantime. If we do decide that your role in the OPF should be ended, I shall of course, have an interest in ensuring that that takes places as speedily as possible.

At the risk of further complicating our discussions, I think we shall need to consider the need for High Security Fencing at Sullom Voe at the same time. It seems to me that neither an HSF at Sullom Voe nor the OPF are of similar priority for expenditure on the HSFs at the other sites. Sullom Voe is particularly remote, George Younger is having difficulty over its policing (without which the HSF is pointless) and the cost of fencing is relatively high. It may be that we can do without either the OPF or the force at Sullom Voe, but I am prepared to leave this until we meet. I should find it helpful for our discussion if the case for providing an HSF at Sullom Voe could be updated and compared with the case for continuing an OPF presence.

Finally, I have to say that, although I appreciate the reductions you have made elsewhere in your programme to accommodate the cost of the fences, this does not mean that your programme will be exempt from scrutiny in the forthcoming PES round. The round has already the makings of being another difficult one and I shall be pressing colleagues, including yourself, hard for savings.

I am copying this letter to the Prime Minister, Willie Whitelaw, Leon Brittan, Michael Heseltine, George Younger, Nicholas Edwards, Douglas Hurd, Norman Tebbit, Michael Jopling and Sir Robert Armstrong.



PETER REES

28 MAY 1985

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(on return X ref)
CF



QUEEN ANNE'S GATE LONDON SW1H 9AT

21 May 1985

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21/5

R Peter,

HIGH SECURITY FENCES

Thank you for your letter of 7 May on this subject. I have also seen your letter of 3 May to Peter Rees. I am very glad to see that you intend to go ahead with the fences at the gas installations and, in only slightly slower time, with those at the two principal oil installations as well.

While I note your views about the financing of the Offshore Protection Force, I am sure it will be necessary to consider comprehensively all the current issues relating to the Force. From my point of view, these include not only your views on the continuation of your Department's contribution, but also those of Michael Jopling and George Younger on how fisheries protection should be provided in future and the implications of any changes for the deterrent effect, and operational capability, in relation to maritime counter terrorism. Current arrangements for the Offshore Protection Force were set up by collective agreement, and I am sure it is right, as I know is being arranged, that we should discuss these matters soon. Pending that discussion I am not able at this stage to regard the fencing of the key points and the patrolling of offshore installations as alternatives: the current position is that we are collectively committed to both.

I am sending a copy of this letter to the Prime Minister, Willie Whitelaw, Nigel Lawson, Michael Heseltine, George Younger, Nicholas Edwards, Norman Tebbit, Michael Jopling, Douglas Hurd and Sir Robert Armstrong.

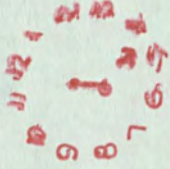
Lawson

The Rt Hon Peter Walker, MP

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Fishing: Fishing Ind. P+S

21 MAY 1987



cell



SECRETARY OF STATE FOR ENERGY
TRANSFORMER DIVISION
MILKANS BUILDING, 10/11/85

01 211 6402

*NBPM
CDP
8/5.*

The Rt Hon Leon Brittan QC MP
Secretary of State for the
Home Department
Queen Anne's Gate
LONDON
SW1H 9AT

7 May 1985

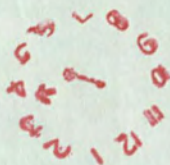
Thank you for your letter of 16 April.

I believe that the points you raise have already been covered in my letters of 22 March and 18 April. I regard the construction of High Security Fences at super priority economic key points, particularly Bacton and St Fergus, as a far higher priority than the Offshore Protection Force in terms of my Departmental responsibilities; and in the light of the factors set out in my earlier letters I feel bound to end a public expenditure charge which I cannot justify on grounds of value for money.

I am copying this letter to the Prime Minister, Willie Whitelaw, Nigel Lawson, Michael Heseltine, George Younger, Nicholas Edwards, Norman Tebbit, Michael Jopling, Douglas Hurd and Sir Robert Armstrong.

PETER WALKER

Fishing Limits: FISHING INV. Pt 5.



8 MAY 1985

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SECRETARY OF STATE FOR ENERGY
THAMES HOUSE BUILDING
MILBANK LONDON SW1E 4QJ

cc: [handwritten initials]
N&P
BT
18/4

01 211 6402

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Whitehall
LONDON
SW1A 2HB

18 April 1985

OFFSHORE PROTECTION FORCE

Thank you for your letter of 29 March.

My decision to withdraw from contributing to the cost of offshore surveillance was conveyed to the group of officials, chaired by the Cabinet Office, last November in terms which made it quite clear that it was independent of the outcome of any changes in fishery protection arrangements. It is my understanding that this has been taken into account in the work of the group. I am advised that since November the group has focussed on the comparative costings of Michael Jopling's proposals and those of your Department. Whilst these assume a need by your Department to meet its obligations under the Oilsafe arrangements they do not include any financial contribution from my Department.

My view on the value of random military patrols to my Department is based on the belief that the real deterrent to terrorists is the existence of expert land based forces ready to respond in aid to the civil power. If those responsible for security remain of the view that such patrols are a necessary part of our response then, as I said in my letter of 22 March, that is a matter for Leon Brittan and yourself. I am not saying patrols should cease. But I am saying that I can no longer justify carrying expenditure for such patrols on my Department's Vote. When the arrangements for offshore protection were first agreed there were no specific arrangements for dealing with offshore terrorist threats. Your Department, together with the Home Office, have since developed the Oilsafe plan for providing aid to the civil power in the event of a terrorist attack, and successful exercises have been carried out.

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If, however, you should decide to reduce or curtail random military patrols, even though you consider they are likely to be a deterrent to terrorists, I agree we should need to handle any publicity very carefully.

I am sending copies of this letter to the Prime Minister, Leon Brittan, Nigel Lawson, George Younger, Nicholas Edwards, Norman Tebbit, Michael Jopling, Douglas Hurd and Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read 'P Walker', written in dark ink.

PETER WALKER

CONFIDENTIAL

Fishing Industry: Fishery limits #5



1188 APR 1985

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cc 196
PC



QUEEN ANNE'S GATE LONDON SW1H 9AT

16 April 1985

The Peter,

NBRM
COQ
16/4.

OFFSHORE PROTECTION FORCE

You copied to me your letter of 22 March to Michael Heseltine in which you indicated your intention to discontinue your Department's contribution to the costs of the Offshore Protection Force. I have now seen Michael's reply and I fully support what he has said.

My interest lies in my overall responsibility for counter terrorist arrangements in Great Britain and I would not wish to see any changes that would reduce the level of protection against, and response to, a terrorist attack on an offshore installation. You will understand my concern that Departments responsible for key economic installations which may be vulnerable to terrorist attack should accept a responsibility for ensuring that they are suitably protected in order to safeguard supplies which are crucial to the nation's economic and physical security.

I cannot agree with your view that military patrols have no deterrent value. The removal of a known armed presence could well, of itself, increase the threat to offshore installations. I agree with Michael Heseltine that this matter is an appropriate one for collective consideration and this can only effectively take place when we have the report of the official group considering Michael Jopling's proposals for civilianisation of the fishery protection task. I believe current arrangements should remain in the meantime.

I am copying this letter to the Prime Minister, Nigel Lawson, Michael Heseltine, George Younger, Nicholas Edwards, Douglas Hurd, Norman Tebbit, Michael Jopling, Willie Whitelaw and Sir Robert Armstrong.

Lawson

The Rt Hon Peter Walker, MP

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MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALING 01-218 2111/3

CCP
We had better see the papers
OR

MO 12/3

29th March 1985

John P. L.

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OFFSHORE PROTECTION FORCE

Thank you for your letter of 22nd March 1985 announcing that your Department intends to cease paying towards the costs of the Offshore Protection Force at the end of this financial year.

I am aware that your officials have informed the official group chaired by the Cabinet Office, considering Michael Jopling's proposals for the civilianisation of the fishery protection task, that you proposed to withdraw from the present offshore tapestry arrangements. However, the Group has had to look at fishery protection as part of the whole structure of arrangements for offshore protection, including the protection of oil and gas installations. These arrangements were collectively agreed by Ministers precisely because the various elements are closely linked, and a decision in one area has significant implications for the other departments concerned. I therefore do not think that any unilateral decisions should be made in advance of collective Ministerial consideration of the report of the Official Group. Indeed, in my view there is a need for officials explicitly to consider the effects of your proposed withdrawal on the other offshore tasks.

The Rt Hon Peter Walker MP



I note that it is your view that random military patrols now have little or no deterrent effect. It is, I think, worth recalling that there was no agreement in either the TO(P) or the group on future fishery protection arrangements on this point; several departments considered that military patrols were likely to be a deterrent to terrorists, and that their absence would inevitably reduce the effectiveness of the response to an incident. Moreover, the existence of random military patrols around offshore oil and gas fields has been well publicised. The cessation of such patrols would become known and this in itself could create a mistaken impression of our determination and ability to defend these installations. It would also need very careful handling in view of the likely parliamentary and public criticism which would focus attention on the offshore protection arrangements as a whole. I believe these are issues on which we should take a collective view.

On the financial implications of your decision you will appreciate that your letter was despatched only a matter of days before the beginning of the Estimates year (and indeed after the interdepartmental working group had agreed a programme of operations for April). My department has, of course, budgetted on the assumption that the normal Department of Energy contribution would be available and operational plans have been made on the basis of the continuation of the oil and gas protection task. As you will be aware, it has long been agreed that the costs of civil offshore tasks should not be borne on Defence votes. The patrolling of oil and gas fields is carried out concurrently with other offshore protection tasks, and there would only be very minor savings in effort - and hence in public expenditure - if it is abandoned. Accordingly, under the financial arrangements agreed in 1979 the costs of the offshore tapestry arrangements would need to be apportioned between the remaining civil "commissioning" departments. Obviously, if we proceed on these lines, officials



of these departments will need to get together with mine and Nigel Lawson's to work out the details.

For the reasons I have outlined it seems to me to be very much better to let the current arrangements continue until the official group has completed its work, and that we should then consider the implications of any changes in the offshore protection arrangements as a whole.

I am sending copies of this letter to the Prime Minister, Leon Brittan, Nigel Lawson, George Younger, Nicholas Edwards, Norman Tebbit, Michael Jopling, Douglas Hurd and to Sir Robert Armstrong.

Yes
Michael Heseltine

Michael Heseltine

E3 APR 10 1955

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SECRETARY OF STATE FOR ENERGY
THAMES HOUSE SOUTH
MILLSBANK LONDON SW1P 4QJ

01 211 6402

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NBAW

CONFIDENTIAL

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Whitehall
LONDON SW1

22 March 1985

OFFSHORE PROTECTION FORCE

When I wrote to Michael Jopling on 31 July 1984 agreeing that my officials should join in interdepartmental discussions on the future of fisheries protection arrangements, I said that we were conducting an internal review into our requirements for surveillance of offshore oil and gas installations, which the Offshore Protection Force currently undertakes on our behalf. This has been part of my general review of each of my Department's expenditure programmes to test value for money and relevance to objectives.

Our review is now complete. In considering the review I have taken into account the revised assessment of the threat of offshore installations (JIC(84)10 dated 12 October 1984). I have also borne in mind that responsibility for security operations, including the planning, co-ordination and provision of a response to the threat, rests with yourself and Leon Brittan.

My conclusion is that the offshore surveillance for which my Department at present pays makes no significant contribution to the effectiveness of the measures provided for under the Oilsafe arrangements (which have been set up since the objectives for the Offshore Protection Force were agreed in 1974). In my view no amount of random military patrols by sea, air or both would ensure the detection, let alone deterrence, of a potential aggressor.

In the circumstances I cannot authorise my Department to contribute towards the costs of the Offshore Protection Force in the future, and we will cease payment at the end of the current financial year. I clearly must end a public expenditure charge which on value for money grounds I cannot justify.

I am aware that we are still waiting for a report from the group of officials considering Michael Jopling's proposals for civilianisation



of fishery protection. My decision to withdraw from surveillance has already been conveyed at official level. I do not believe that it will affect the group's conclusions.

I am sending copies of this letter to the Prime Minister, Nigel Lawson, Leon Brittan, George Younger, Nicholas Edwards, Douglas Hurd, Norman Tebbit, Michael Jopling and Sir Robert Armstrong.

A handwritten signature in dark ink, consisting of a large, stylized 'P' followed by 'Walker' in a cursive script.

PETER WALKER

Fishery ~~limits~~ : FISHING IND,
P+5.



22 MAR 1985

RESTRICTED



CC NO
NBP07
AT 7/19

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service
Sir Robert Armstrong GCB CVO

Ref. A084/2407

MINISTER OF AGRICULTURE, FISHERIES AND FOOD

Future of Fishery Protection Arrangements

You sent me a copy of your letter of 18 July to the Defence Secretary about the possible civilianising and contracting out of the fishery protection task, and I have seen the subsequent correspondence.

2. The proposed inter-Departmental group of officials has already been set up to examine the issues in depth and to report. The group held its first meeting on 28 August, and is to report by mid-October, shortly before the start of the next Parliamentary session.

3. I am sending copies of this minute to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, Energy, Defence, Trade and Industry, Scotland and Wales.

Robert Armstrong

7 September 1984

RESTRICTED

Fishing Inc P.T.S

limits & Ad



--7 SEP 1984



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 5838

NO3602

22 August 1984

D H Griffiths Esq
 Fisheries Department
 Ministry of Agriculture, Fisheries & Food
 Great Westminster House
 Horseferry Road
 London
 SW1P 2AE

*WBP
 or*

Ann Davison

INTER-DEPARTMENTAL GROUP ON THE FUTURE OF FISHERY PROTECTION ARRANGEMENTS (FFPA)

Your Minister wrote to the Secretary of State for Defence on 18 July about the prospects for contracting out or 'civilianising' United Kingdom fishery protection arrangements. Other Ministers contributed to the correspondence, resting with Mr Macgregor's letter of 17 August to Mr Heseltine. A consensus in favour of setting up an inter-Departmental group of officials under Cabinet Office chairmanship has emerged and I am writing to set this in hand.

2. In the absence of many senior Cabinet Office officials, including Sir Robert Armstrong, I have not been able to consult as widely as I would have wished both on the proposal to create a group and on where responsibility for running it should fall within the Cabinet Office. However, on the basis of such consultation as has been possible, I am clear that a group is necessary and that the Oversea Policy and Defence Secretariat should take on the task. I therefore propose that:

- i. an inter-Departmental group on the future of fishery protection arrangements (FFPA) should be set up, with the suggested composition as at Annex. The OD Secretariat will service the meeting and I will take the chair. (It is possible that either Bryan Cartledge or David Jago, Deputy and Under Secretary respectively here, will wish to take on this task on their return from leave); and
- ii. the group should hold a first exploratory meeting at 10.30am on Tuesday 28 August in the Cabinet Office to discuss its remit and the shape of its report and set the necessary work in hand.

3. Unless notified to the contrary, I will assume that Departments are content and will be represented at the meeting. We are of course open to suggestions for additions or deletions to the suggested membership of the group. But I am sure you will agree that the important thing is to get down to business as soon as possible.

Ann Davison

D H COLVIN

cc Members of FFPA

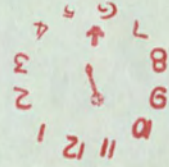
INTERDEPARTMENTAL GROUP ON FUTURE OF FISHERY PROTECTION ARRANGEMENTS

Suggested composition:

D H Griffiths Esq	-	Fisheries Department - MAFF
Ms M Aldred	-	DS5 Division - MOD
B M Webster Esq	-	DS8 Division - MOD
R A Harrington Esq	-	F4 Division - Home Office
N Cowling Esq	-	ESL Division - NIO
J Murray Esq	-	DANI
B Gordon Esq	-	Fisheries Department - DAFS
L V McEwan Esq	-	" " - DAFS
G Owen Esq	-	Agriculture Department, Welsh Office
D A Bolger Esq	-	Air Division - DTI
R Beasley Esq	-	Branch 2, Establishments & Finance Division Department of Energy
I P Wilson Esq	-	DML Division, HMT

RESTRICTED

C7P7+5



22 AUG 1984



CNO

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

From the
Minister of State

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Whitehall
LONDON
SW1A 2HB

*shp
sub
17/2*

17 August 1984

FUTURE OF FISHERY PROTECTION ARRANGEMENTS

In Michael Jopling's absence, I am writing to thank you for your letter of 6 August from which I was glad to see that you agree that we should look further at the ideas set out in Michael's letter of 18 July.

I agree that it would be helpful if an inter-departmental group of officials under Cabinet Office chairmanship were to look at this, and I hope it will be possible for such a group to be set up - and to report - quickly. In the meantime, I would make only one further comment. In your letter, you stress that any changes should not affect our general defence capabilities, and that we should not simply move costs from one department to another. Whilst I can understand your concern particularly on the first count, my interest of course - apart from any operational advantages that may accrue from having a contracted-out fishery protection arrangement under my department's direct control - is to see that we do not bear an undue cost burden simply because the task happens to be carried out by the Services. However, these are questions which officials will doubtless cover in their report.

I am copying this letter to the Prime Minister, Leon Brittan, Nigel Lawson, Jim Prior, Peter Walker, George Younger, Nicholas Edwards, Norman Tebbit and to Sir Robert Armstrong.

JOHN MACGREGOR

Fishing Industry: Fishery Ltd A75



~~CNO~~

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

JF7164

Secretary of State for Trade and Industry

10 August 1984

The Rt Hon Michael Jopling MP
Minister of Agriculture, Fisheries
and Food
Ministry of Agriculture, Fisheries
and Food
Whitehall Place
LONDON
SW1A 2HH

NBPm
JR
12/10

Dear Minister,

FUTURE OF FISHERY PROTECTION ARRANGEMENTS

I have seen a copy of your letter to Michael Heseltine of 18 July.

2 I should like to register an interest in the public procurement aspects of your proposals and in particular the interests of UK aircraft manufacturers. My officials have had discussions with yours regarding offshore aerial surveillance and I understand that any aircraft requirement which arises from your proposals will be put out to tender. It is clearly right that UK manufacturers should be given a fair opportunity to respond to such a tender which, as your officials recognise, will have to be compatible with our international obligations on public procurement, although there would be an outcry if foreign aircraft were selected as I believe your officials had in mind. I should be grateful if my officials could be involved in the inter-Departmental discussions which you propose should now take place.

3 Copies of this letter go to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Northern Ireland, Energy, Defence, Scotland and Wales and to Sir Robert Armstrong.

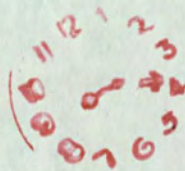
Norman Tebbit
A. Tebbit

for NORMAN TEBBIT

(Approved by the Secretary of State and signed in his absence)

Fishing for CFP P45

13 AUG 1984





Handwritten initials

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000
DIRECT DIALLING 01-218 2111/3

MO 12/3

6th August 1984

Handwritten signature

*NBPm
JR
7/8*

FUTURE OF FISHERY PROTECTION ARRANGEMENTS

Thank you for your letter of 18th July about the possible contracting out of the fishery protection task; I have since seen the comments of George Younger, Jim Prior and Peter Walker. The sort of changes you have in mind would mean a radical change in the arrangements agreed about 10 years ago, and would have major implications for both the Royal Navy and Royal Air Force. But on the work you have carried out so far, I agree that this is an idea that needs further study to validate the assumptions and the proposals. Obviously we must try to find the most cost-effective arrangements for the range of tasks involved in the offshore tapestry, which I assume would also include possible contracting out of the Scottish Office-run fishery protection force. I would suggest that we remit the detailed work required to an inter-departmental group of officials under Cabinet Office chairmanship.

At this stage I would only like to make three general comments. First, as you and Peter Walker have recognised, we need to take full account of the protection of the offshore oil and gas installations and our ability to mount a maritime counter-terrorist operation if

The Rt Hon Michael Jopling MP



required, and we also need to ensure that clear command and control arrangements for the offshore tapestry are maintained. Second, we must ensure that any future arrangements reduce public expenditure and do not simply move costs from one department to another. Third, it is most important that any changes do not affect our general defence capabilities. That said I am sure we are right to be looking at the possibilities, and I look forward to seeing our officials' report.

I am sending copies of this letter to the Prime Minister, Leon Brittan, Nigel Lawson, Jim Prior, Peter Walker, George Younger, Nicholas Edwards, Norman Tebbit and to Sir Robert Armstrong.

*Yours
Michael*

Michael Heseltine

Fishery limits: Fish, MD, P45.

7 MAR 1984

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NBS PM

AT218

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Michael Jopling MP
 Minister for Agriculture, Fisheries and Food
 Ministry of Agriculture, Fisheries and Food
 Whitehall
 LONDON SW1

1st August 1984

John Michael

FUTURE OF FISHERY PROTECTION ARRANGEMENTS

I was interested to see the proposals in your letter of 18 July to Michael Heseltine for the civilianisation of fisheries protection arrangements. This is an unusual example of contracting out and one to which I am sure we must give serious consideration.

There are however two points which I should register. First, the Treasury must naturally look at the effect of any change in the present arrangements on the public sector as a whole: as you recognise, the change you propose could have important consequences for the Department of Energy. Second, I would need to be satisfied that the savings you have identified are realistic (from the point of view of the public sector as a whole) and can be delivered before taking credit for them in the Public Expenditure Survey.

I should therefore be grateful if Treasury officials could be involved in the interdepartmental discussion which will be required.

I am copying this letter to the Prime Minister, the Secretaries of State for Industry, Energy, Scotland, Wales and Northern Ireland and the Secretary to the Cabinet.

John Michael *PR*

PETER REES

copy

fishery inc. AT

fishery units

2 AUG 1984

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cc 10

SECRETARY OF STATE
TRAFFIC
MILLS

NBPM

AT 31/7

01 211 6402

The Rt Hon Michael Jopling MP
Minister for Agriculture, Fisheries & Food
Whitehall Place
London
SW1A 2HH

31 July 1984

You sent me a copy of your letter of 18 July to Michael Heseltine setting out your case for civilianising and contracting out fishery protection work for England and Wales and suggesting that officials should get together to look at your proposals and related matters at an early date.

Although your letter considers the matter in terms of fishery protection you recognise rightly the interest of my Department in the use of the present MOD forces. John MacGregor wrote to Alick Buchanan-Smith last November with your preliminary thoughts on this subject. Alick pointed out the distinction to be drawn between your requirements and ours and emphasised that whatever arrangements are made to cover your interests must not result in any increase in the costs of protection of offshore oil and gas installations borne by my Department.

I certainly support the principle of aiming for an efficient and effective service. I agree then that my officials should join in whatever discussions are arranged. As you note we are reviewing our own requirements but the wider discussions need not be delayed on that account.

I am sending a copy of your letter and mine to Leon Brittan in view of his responsibility for dealing with any counter-terrorist action on any offshore oil or gas installation. Copies of this letter also go to the Prime Minister, Nigel Lawson, Jim Prior, Michael Heseltine, George Younger, Nicholas Edwards, Norman Tebbit and Sir Robert Armstrong.

PETER WALKER

Fishing Industry P.T.S

Fishing units



cc NO

NORTHERN IRELAND OFFICE
WHITEHALL
LONDON SW1A 2AZ

SECRETARY OF STATE
FOR
NORTHERN IRELAND

NBSPM
AT 28/7

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Whitehall
London SW1A 2HB

27 July 1984

Ken Richard

I have seen a copy of Michael Jopling's letter of 18 July 1984 to you about the future of fishery protection arrangements.

Although the Navy fishery protection vessels concentrate their efforts mainly around England and Wales, they do also operate in waters off Northern Ireland and the Department of Agriculture for Northern Ireland contributes towards the capital costs of replacement vessels but not running costs. I have a direct interest therefore in seeking the most appropriate and economic means of providing the necessary protection. The review of the existing arrangements has shown that the current arrangements are expensive in relation to the task performed and that a civilian alternative is available which is more cost effective, produces public expenditure savings and is consistent with our present needs under the Common Fisheries Policy. I agree fully with Michael that there is a strong case for contracting-out fishery protection work and that officials from all the Departments concerned should study this option further.

Copies of this letter go to all recipients of Michael Jopling's letter of 18 July.

Ken
T
Richard

Fisning CFP Pts

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27 JUL 1984



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

CCNO

NBPM
AT
16/7

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Whitehall
LONDON SW1A 2HB

18 July 1984

FUTURE OF FISHERY PROTECTION ARRANGEMENTS

As your officials will be aware, we have been carrying out a thorough review of our fishery protection arrangements, which involve the Royal Naval Fishery Protection Squadron and the Nimrod aircraft used by the RAF for offshore surveillance. I am writing to let you know the conclusions of our review and to seek your agreement, and that of other colleagues concerned, to the way we should take this forward from here.

The main background to our review has been the substantial change in the emphasis of fishery protection work over recent years. In the days when we had a three or even a 12 mile fishing limit and a substantial proportion of our fishery fleet operated in distant waters, the tasks of catching poachers inside our limit and of protecting the interests of our fishermen in international waters were pretty closely aligned to the Navy's traditional responsibilities for protecting our national maritime rights and interests. Today, however, with the establishment of 200 mile fishing limits and the virtual disappearance of our distant water fishing fleet, the task of fisheries protection has changed to one of enforcing the various, essentially technical, conservation provisions of the Common Fisheries Policy, including the quota control measures applying to our own fishermen.

We have therefore considered whether this task could be carried out more appropriately and more economically using equipment of a type more suited to civil rather than military duties. Our conclusion is that this is indeed possible and that, moreover, we could transfer a significant amount of work from the public to the private sector by civilianising this work and contracting out both the sea-going fishery protection work in England and Wales and the related offshore surveillance at present carried out by the RAF. DAFS already have a civilian fisheries protection fleet and this would assume responsibility for all that work in the waters off Scotland.

/We see two ...

We see two particular advantages from such a course. The first would be that we would have much more direct control over the operations carried out on our behalf. Whilst the support provided by the Royal Navy and the Royal Air Force has been in the highest traditions of those two services, there can be no doubt that the need to work through their respective operations networks increases the difficulties of dealing urgently with situations which arise on the high seas. An essentially civilian fleet working directly to the Fisheries Departments would greatly reduce that problem.

... The second advantage would be a substantial reduction in the costs to the Fishery Departments of operating the protection and surveillance services. I attach a note which summarises the present level of resources devoted to these tasks and our estimates of the resources needed if we were to contract the work out. The figures for costs of the present system are, of course, based upon the estimates of your own Department. The figures for the costs of the new system we envisage relate only to Fishery Department expenditure and do not allow for any changes in expenditure by your Department. Nevertheless, I hope you would agree that officials should get together at an early date to look at these together with related matters such as the proposal that we and the Scottish Office should take over 5 of the ISLAND class vessels and in return release the 2 CASTLES for sole use for defence purposes.

There is one further point. I have naturally considered all this in terms of my interest in fishery protection, but I recognise that there is, of course, another important customer involved in the use of the present forces: the Department of Energy. Their requirements are not exactly the same as ours, but we have been in close touch with them and I think they would support the principle behind our proposals of obtaining the best service at the lowest cost. I understand that they are currently undertaking an internal review of their requirements, but this need not in my view delay the discussion by officials of these proposals.

Subject to the outcome of these studies, it seems to me that there is a very strong case for civilianisation and contracting out fishery protection work for England and Wales, an approach which would fit in very closely with the discussion we had recently in Cabinet. I hope, therefore, that this can be looked at as a matter of relative urgency with a view to reaching decisions at an early date and to making any announcement at, or soon after, the beginning of the next Parliamentary session.

I am sending copies of this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Industry, Energy, Scotland, Wales and Northern Ireland and the Secretary to the Cabinet.

James F. ...
Michael ...

MR IAEL JOPLING

REVIEW OF FISHERY PROTECTION ARRANGEMENTS: CONTRACTING OUT

Surface Patrol Vessels

1. Sea-going fishery protection is currently carried out by 16 vessels of the Royal Naval Fishery Protection Squadron : 7 TON class, 7 ISLAND class and 2 CASTLE class. Their efforts are devoted primarily (though not exclusively) to the waters off England and Wales, the main fisheries protection task in Scottish waters falling to the 7 vessels of the DAFS fishery protection squadron.
2. Under the existing agency agreement, the running costs of 7 of the RN vessels (5 ISLANDS AND 2 CASTLES) are divided between MAFF, DAFS, WOAD and Department of Energy. These amounted to £8.9m at 1983 prices. The Fisheries Departments also contributed £12m to the capital costs of the 2 CASTLES and will be expected to contribute about £19m to the building of 2 new CASTLES which the MOD advise are necessary to replace the obsolescent TON class vessels. These payment arrangements reflect the fact that the 5 ISLANDS and 2 CASTLES are fully dedicated to protection work, whereas the TONS and the other 2 ISLANDS exist for defence purposes but contribute to offshore protection as necessary in order to enable the required deployment level to be sustained.
3. All 3 classes of vessel were designed primarily with military requirements in mind and the CASTLE class in particular are designed substantially to fulfil a wartime role, being considerably more elaborate than anything that would be needed for fishery protection work. The Royal Navy's traditional operating and manning system, established in relation to its own operational requirements, results in a relatively low rate of utilisation of the vessels; of the present total of 16, the average rate of availability throughout the year is only 6.5 vessels, This is understandable in relation to normal naval requirements, but is much lower than the rate of availability which could be achieved by vessels dedicated solely to civilian purposes.

4. In view of these factors, and the need of the accountable departments to ensure that the means we employ to implement the protection programme are the most cost-effective in the light of current objectives, MAFF has examined alternative ways in which an equivalent coverage could be achieved.

5. MOD has confirmed that, if both the civil tasks were withdrawn, there could no longer be an offshore patrol requirement for either the 5 ISLANDS or the 2 CASTLES. Against this background, the most cost-effective option identified would be one under which MAFF would take over 4 ISLANDS and operate them through a private contractor, while DAFS would take over the fifth ISLAND to deal with that part of the fisheries protection task in Scottish waters currently provided by the Royal Navy. In return, it is proposed that the 2 existing CASTLES should be kept for sole use by the RN for defence purposes. On the basis that their combined present day value is estimated at £24m and that Fisheries Departments contributed 75% of their cost, the exchange of value would represent a slight resource gain to the MOD, given that the combined written down value of the 5 ISLANDS is estimated to be £17.5m.

6. A cost effectiveness analysis, the results of which are summarised at Annex A, indicates that we could expect the discounted equivalent annual cost of operating the 4 MAFF ISLANDS through a private contractor to be approximately £3.4m at 1983 prices. This compares with a discounted equivalent annual cost of £9.1m under a continuation of the present arrangements. DAFS operational costs for the fifth ISLAND vessel to be taken over are estimated to be under £1m compared with their contribution of about £2½m to MOD costs.

7. The savings for MAFF PES are summarised below. As far as MOD is concerned, it would cease to receive repayment for the operation of the 5 ISLANDS and 2 CASTLES. But given their full dedication to protection work, and our payment of full costs, this ought to be matched by a corresponding decrease in MOD expenditure. The opportunity to use the 2 CASTLES solely for MOD purposes should produce some savings in MOD expenditure in that this would remove the need to purchase 2 new CASTLES which the RN at present proposes to replace the TON class vessels (which are required for a defence role).

* figures to be supplied by DAFS

Aerial Surveillance

8. The Nimrod aircraft used by the RAF for offshore surveillance are more sophisticated than is required for the type of surveillance needed for fisheries protection: in particular their high patrol speed and limited visibility hinder the task of identifying and recording. Moreover, although the cost to the customer departments has been alleviated to a degree by the recent change to marginal costing, the charges still remain high in comparison with the costs of operating simpler civilian aircraft.

9. Investigation has shown that offshore surveillance could be conducted satisfactorily by smaller and less sophisticated aircraft at a much lower cost. Actual costs would depend upon the type of aircraft selected, but studies carried out indicate that the task could be carried out by 2 civil aircraft operated under private contract for approximately £1.5m per annum, as opposed to £1.94m under the present system. A fuller comparison of the relative cost is at Annex B.

10. Given the major commitment of Nimrods to defence tasks, it would appear probable that discontinuation of their use for fishery protection work would have no major effects on their deployment, but the marginal costs now charged to the Fishery Departments should be capable of being saved by discontinuing the work for them. This would mean that the difference in the costs to MAFF described in the previous paragraph would be a net overall decrease in public expenditure, and there would also be savings in Scotland.

Estimated MAFF PES Savings

11. The estimated PES savings for MAFF under the changes envisaged for both sea borne and aerial surveillance tasks are substantial: up to £11m when the new system was fully operational.

£000 (in 1983/4 prices)

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9 onwards	FINAL: YEAR 19:	TOTAL CASH FLOW @ 1983 VALUES OVER 16 YEARS
discount factors	1.00	.95	.91	.86	.82	.78	.75	.71	.68			
OPTION A - continue to use the Royal Navy												
MAFF share of running costs												
- 33% Islands	1838	2092	2395	2395	2440	1500	1500	1500	1500	1500	1500	
- 90% Castles	2359	2551	3475	5614	6448	6448	6448	6448	6448	6448	6448	
capital for Castles 3 & 4	1988	4519	10336	2532	80	36						
Total costs	6185	9162	16206	10541	8968	7984	7948	7948	7948	7948	7948	138526
net present value	6185	8726	14699	9106	7378	6256	5931	5648	5380	41541	3145	
cumulative total npv	6185	14911	29610	38716	46094	52349	58280	63929	69308	110849	113994	
EQUIVALENT ANNUAL COST	9142											
=====												
OPTION B - take over 4 Island class vessels from RN: operate via commercial contractor												
initial half life capital refit	4000											
operation by contract includes												
running survey/refits @ 717	2868	2868	2868	2868	2868	2868	2868	2868	2868	2868	2868	
scrap value on tonnage @ 18												
staff cost 4 Inspectors @ 19.42	78	78	78	78	78	78	78	78	78	78	78	
Total costs	6946	2946	2946	2946	2946	2946	2946	2946	2946	2946	2874	51059
net present value	6946	2805	2672	2545	2423	2308	2198	2093	1994	10120	1382	
cumulative total npv	6946	9751	12423	14967	17391	19699	21897	23990	25984	36105	37487	
EQUIVALENT ANNUAL COST	3460											
=====												

FISHERIES PROTECTION - AERIAL SURVEY - cost effectiveness appraisal -MAFF resource costs only: using 1984 figure

£000 COSTS IN EACH YEAR (end year transactions taken to include mid year)

YEAR 0 YEAR 1 YEAR 2 YEAR 3 YEAR 4 YEAR 5 YEAR 6 YEAR 7

OPTION A continue MoD Nimrods for offshore and Islander (+ standby) under civil contract for coastal patrols

MoD annual service charges	0	1750	1750	1750	1750	1750	1750	1750
coastal contract	0	420	420	420	420	420	420	420
TOTAL COST	0	2170	2170	2170	2170	2170	2170	2170
NPV at 5%	0	2067	1968	1874	1785	1700	1619	1542
CUMULATIVE NPV	0	2067	4035	5909	7695	9395	11014	12556
EQUIVALENT ANNUAL COST		1942						

OPTION D - fully contract out using Dornier aircraft for offshore work

single civil contract to provide and operate 2 Dornier + 1 Islander	0	1700	1700	1700	1700	1700	1700	1700
TOTAL	0	1700	1700	1700	1700	1700	1700	1700
NPV at 5%	0	1619	1542	1468	1399	1332	1269	1208
CUMULATIVE NPV	0	1619	3161	4629	6028	7360	8629	9837
EQUIVALENT ANNUAL COST		1522						

CC TF
BI

December 8, 1983

FOR ISSUE AT 4.30

FISHERIES

SUPPORT FOR THE FISHING INDUSTRY

In a Statement to the House of Commons last night, the Rt Hon Michael Jopling, MP, Minister of Agriculture, Fisheries and Food, gave details of a major package of support for the United Kingdom fishing industry. The Government expects expenditure in the United Kingdom of almost £43 million arising directly from the European Commission Structures package, and has allocated a further £45 million over the next three years for vessel building grants and loans to be administered by the Sea Fish Industry Authority.

During the course of his Statement, the Minister said:

"Altogether we are budgeting for almost £43 million for expenditure in the United Kingdom arising directly from the implementation of the Community Structures package. We have allocated a further £45 million over the next 3 years to the vessel building grants and loans administered by the SFIA. Together these provisions represent a major package of support for the fishing industry from public funds.

"This shows our determination, at a time when Government expenditure must be tightly controlled, to give every possible encouragement to the process of renewal and improvement which is necessary if we are to develop and maintain an efficient fleet capable of effectively exploiting the fishing opportunities which are open to us.

"The FEOGA scheme for building and modernisation grants is already open. The new schemes for decommissioning grants, laying up grants and aids for joint ventures and exploratory voyages will be opened as soon as possible after we have made the necessary Statutory Instrument. This we aim to do before Christmas.

"Making that Order will mark a very important stage in the development of fisheries policy. It represents a key element in the full implementation of the Common Fisheries Policy and is to be welcomed as such. It is even more to be welcomed because I believe it will bring real benefits to our industry.

Speaking first about the decommissioning grants under the Commission's Structures package the Minister said:

"May I remind the House what is in the structures package. There is provision for decommissioning grants. The aim here is to reduce capacity in those sections of the fleet where total capacity exceeds our fishing opportunities. This makes sense for those who have been trying to operate vessels which were built for another era when we had access to grounds which are now closed to us. It could also provide help for the owners of vessels which are simply not viable in modern circumstances for any one of a number of possible reasons and whose owners now wish to leave the industry. The benefit to the rest of the fleet will come from there being less pressure on our share of the stock if we have rather fewer vessels chasing any given amount of fish.

"First, the grant will be £400 per Gross Registered Ton. Second, the Community will help to fund payments only for vessels down to 12 metres long.

"Our own industry pressed us to widen the coverage of the scheme and we have decided to make the grant available to any vessels over 10 metres long.

"There is one thing I want to make quite clear. No-one is being forced out of the industry. The decision whether to stay in the fleet or whether to apply for a grant and leave is for the owner of the vessel to take. No-one else. All we are doing is easing what will, for many, remain a difficult choice.

Turning to the subject of laying up grants and support for exploratory voyages and joint ventures the Minister commented:

"The second main element of the package comprises new grants to assist the industry by providing laying up grants and support for exploratory voyages and joint ventures. These go together because they are aids for vessels which have a future, which their owners want to keep in the fleet, but which may need some short term help.

"There is one important point which I want to make here. We propose to implement these schemes on the lines laid down in the EC legislation with one important exception. Our laying up grant schemes will cover not just the larger and newer vessels covered by the Community scheme, but any vessel over 10 metres irrespective of age. This was a point on which the industry organisations were very keen. I know they will welcome our decision.

Most importantly, the Minister then spoke about aid for vessel building and modernisation:

"The third piece of the jigsaw, and for many the most important, is the scheme of FEOGA aid for vessel building and modernisation. The same EC Scheme also provides for the continuation of grants for fish farming. We have had interim schemes of FEOGA aid for some years. But now we have agreement that the scheme will be open in both 1984 and 1985 at least. Fishermen have welcomed the fact that there will no longer be a need to reopen the scheme every year with all that has meant in delays in being able to make applications between the end of one scheme and the beginning of the next.

"It has been clearly established that priority under the Community vessel scheme will go to the replacement or modernisation of vessels over 12 years old. This is very much our priority. Aid will be available to vessels between 9 metres and 33 metres. The lower limit is an improvement on the 12 metres originally proposed.

"The House should also know that our own 25% grants will continue to be available through the Sea Fish Industry Authority in addition to FEOGA grants."

~~CC NO~~



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

David Barclay Esq
Private Secretary
10 Downing Street
LONDON SW1

7 November 1983

Dear David,

FISHERY PROTECTION: INSHORE AERIAL SURVEILLANCE

The Department of Agriculture and Fisheries for Scotland uses a light aircraft on fishery protection and enforcement work. My Secretary of State has agreed that the Piper Aztec currently in use should be replaced by a Cessna 404 Titan plane. It is American and currently out of production but the Department expects to be able to obtain a suitable second-hand aircraft in Europe.

An evaluation of the suitability of 9 aircraft on both operational and cost grounds was carried out. The Titan was considered to be the best on both counts.

The runner-up was the Britten Norman Islander which is currently used on similar work by the Ministry of Agriculture, Fisheries and Food. It has a lower endurance capability (6 hours without refuelling as compared with 8 for the Titan) and the purchase price for a new Islander was given at £440,000 whereas we expect to be able to purchase a two year old Titan for about £250,000.

Mr Stephen Rose MP is a non-executive Director of Britten Norman and may raise this issue with the Prime Minister in Question Time. I am therefore attaching defensive briefing material.

A copy goes to Callum McCarthy at the Department of Trade and Industry.

Yours sincerely,
John S. Graham

J S GRAHAM
Private Secretary

U. R.

PURCHASE OF AIRCRAFT FOR INSHORE FISHERIES SURVEILLANCE

Background

1. As part of its fishery protection work the Department of Agriculture and Fisheries for Scotland (DAFS) undertakes inshore aerial surveillance around the Scottish coast. The Department has been using a chartered Piper Aztec on this task for some but it is too small to carry the necessary personnel and equipment and it is limited in operational range. The Department conducted a lengthy evaluation programme covering 9 different aircraft. The Cessna 404 Titan has proved to be the most suitable aircraft on both cost and operational grounds and DAFS, with the consent of Treasury, proposes to purchase this model.
2. The Pilatus Britten Norman Turbine Islander BN2T was considered but found to be significantly more expensive than the Cessna Titan and also to be less suitable operationally. The company is, however, effectively the only UK manufacturer with an interest in this type of light aircraft although the foreign components (Rumanian and American) are significant. We can therefore expect objections to the purchase of a Cessna Titan. Mr Stephen Ross MP is a non-executive Director of the Company and wrote to the Secretary of State for Scotland in March of this year pressing the case for the Islander. He can be expected to raise the subject again when the decision is announced.
3. The Cessna Titan is not currently in production and a second hand aircraft will have to be acquired. We would expect to be able to purchase one without much difficulty. Such aircraft have a working life of 12 years or more and are subject to maintenance and replacement programmes which make the difference between new and second hand of less significance than in other types of equipment. We would, in any event, be seeking a relatively new plane of around 2 years old.
4. A defensive Question and Answer brief is attached. We have been in touch with the Department of Trade and Industry who have indicated the likely reaction from Britten Norman. DTI have not been involved in the assessment of the relative merits of the aircraft which have been the subject of the evaluation exercise.

PURCHASE OF LIGHT AIRCRAFT BY DAFS

Why is the Department of Agriculture and Fisheries for Scotland purchasing an American aircraft when a suitable British aircraft is available?

An evaluation was made of the suitability of 9 aircraft. On both operational and cost grounds the Cessna Titan was considered to be the best choice.

The Turbine Islander is suitable for the task and DAFS should be required to support UK industry.

The Cessna Titan has operational advantages over the Islander and is also cheaper to purchase and operate over its anticipated life.

Surely a second hand aircraft is unsuitable for this arduous task?

It is hoped to obtain an aircraft which is no more than 2 or 3 years old. The aircraft currently used on this work is 10 years old. The aircraft that is purchased will, of course, have to have a Civil Aviation Authority Certificate of Airworthiness.



✓ CBI
ASC

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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
London SW1

28 July 1983

Dear Willie

COUNCIL OF FISHERIES MINISTERS: 25-26 JULY 1983

... I attach a copy of the statement which Mr Jopling hopes to make in the House today. I would be grateful for immediate clearance.

/ I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); David Beamish (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

*Yours sincerely
Robert Lawson*

ROBERT LOWSON
Private Secretary

With permission Mr Speaker, I wish to make a statement on the meeting of the Council of Fisheries Ministers on 25 and 26 July.

Together with the Minister of State at the Scottish Office and my hon Friend the Minister of State in my Department, I represented the United Kingdom.

Once again the Council could not agree about the allocation of quotas for North Sea herring and I greatly regret that it proved to be impossible to settle other parts of the package, including the proposed arrangements on structures, in the absence of agreement on herring. The methods of determining quotas for herring will be discussed further by officials before the next meeting of the Council on 3 October.

The Council also refused to confirm the Community's fishing agreement with Norway. But the Council did agree, by a qualified majority, to permit the Norwegians to extend their interim fishing for North Sea herring to two-thirds of their proposed allocation of 31,000 tonnes. I voted against this proposal. The considerations were finely balanced. I attach great importance to our fishery relations with Norway and would certainly not wish in any way to harm them. And there are very important advantages for our fishing fleet in the maintenance of the Agreement with Norway. But I nevertheless concluded that I should not support an arrangement which permitted Norwegian fishermen to fish for North Sea herring when United Kingdom fishermen were not able to do so.

Lastly, in my statement on the previous Council meeting I was asked about the possibility of extending controls over foreign Klondykers. I am glad to say that my Rt Hon Friends and I are laying an Order before Parliament today which will extend to foreign vessels the arrangements which currently apply to British pelagic vessels trans-shipping their catch to Klondykers within our fishery limits.

28 JUL 1987





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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
LONDON
SW1

14 July 1983

I have for made this visit
Dear Willie

WRN 14/7

COUNCIL OF FISHERIES MINISTERS: 11-12 JULY 1983

... I attach a copy of the statement which Mr Jopling hopes to make in the House today. I would be grateful for immediate clearance.

/ I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); David Beamish (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely

Robert Lawson

ROBERT LAWSON
Private Secretary

DRAFT STATEMENT

COUNCIL OF FISHERIES MINISTERS, 11/12 JULY, 1983.

With permission Mr Speaker, I wish to make a statement on the Council of Fisheries Ministers meeting in Brussels on 11 and 12 July

Together with my rt hon Friend the Secretary of State for Scotland and my hon Friend the Minister of State in my Department, I represented the United Kingdom.

After further lengthy discussions the Council could not reach agreement on the package of proposals for total allowable catches, quotas, associated conservation provisions and structural implementing measures which were under consideration. Nor was it possible, because one Member State invoked its vital national interest, to reach agreement on interim measures which would have permitted fishermen from Member States and from Norway to continue fishing for North Sea herring.

However, the principal problem was on North Sea herring and it was agreed that a Commission Group of Experts should be asked to carry out an urgent study of the allocation of quotas for this stock. This is a technical study and it is clearly established that the Group will be concerned only with the application of the criteria laid down in the Council Declaration of 30 May, 1980. The work will be completed in time to report to the Council at its next meeting, now scheduled for 25 and 26 July. In the meantime, fishing for herring in the North Sea by those Member States who have exhausted their interim quotas and by Norway will cease.

I took the opportunity to press the Commission on the need for more rapid implementation of the arrangements for enforcement. I am glad to say that the Commission undertook to have at least some of their inspectors in post by the end of September and to have log-books in operation before 1 November. These will be significant steps towards more effective control to which I attach considerable importance.

14 JUL 1983

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Ref. A083/1990

PRIME MINISTER

Cabinet: Community Affairs

The Minister of Agriculture, Fisheries and Food may report on the emergency meeting of the Council of Ministers (Fisheries) on 30 June which discussed interim measures on fishing for herring in the North Sea. Nine member states were prepared to accept interim quotas of 66 per cent of the full year 1983 proposals. Denmark, however, invoked the "Luxembourg compromise" and a number of countries, including the United Kingdom, accordingly declined to participate in the vote. Thus no decision was taken. The Commission intend to make a Regulation halting North Sea herring fishing by Norway, the Netherlands and the United Kingdom from 12 July.

2. The first meeting of the special Council to launch the work programme resulting from the Stuttgart Declaration will be on 8 July. A draft programme of meetings for the autumn has been drawn up and no great difficulties are foreseen. The Finance Council will meet on 11 July, the Fisheries Council on 11-12 July and the Energy Council on 12 July.

ROBERT ARMSTRONG

6 July 1983



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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
LONDON
SW1

1 July 1983

Dear Willie ^{mw} 4/7

COUNCIL OF FISHERIES MINISTERS: 30 JUNE 1983

... I attach a copy of the statement which Mr Jopling hopes to make in the House today. I would be grateful for immediate clearance.

/ I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); David Beamish (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely

Robert Lawson

ROBERT LOWSON
Private Secretary



FISHERIES COUNCIL, 30 JUNE 1983 - DRAFT STATEMENT

Together with the Minister of State at the Scottish Office and my hon Friend the Minister of State in my Department, I represented the United Kingdom at the Council of Fisheries Ministers on 30 June. Discussion concentrated on herring quotas.

After a long and, at times, difficult discussion, nine member states were prepared to agree to arrangements for interim quotas for herring in the Northern and Central North Sea, equivalent to two thirds of the total quotas proposed by the Commission for each member state for 1983, in order to permit fishing to continue until the next Council meeting. This would also have permitted the Council to agree to the Norwegians continuing to fish on a similar basis. Unfortunately the Danish delegation were unable to agree and when the matter was put to the vote they invoked the Luxembourg compromise.

This meant that no agreement on member states' quotas was possible.

In these circumstances a number of member states, including the United Kingdom, felt that they could not agree to the Norwegians' continuing to fish if the member states' fishermen were prevented from doing so.

The situation now is therefore that fishermen from Norway and those member states who have used up their 'interim' quotas will have to stop fishing. United Kingdom fishermen have not yet used up their quotas though they are likely to do so soon. If so, continued opportunities to fish herring are likely to be available at the West of Scotland and

/.....



we will be in touch with the Industry shortly about possible opening dates.

The next Council meeting is scheduled for 11 July but it may be brought forward.

CONFIDENTIAL

FISHING (MD)



Foreign and Commonwealth Office

London SW1A 2AH

7 February 1983

John Robert

A.F.C. 2/2

Canada: Fish

We spoke on Friday evening about a point concerning exports of Canadian fish product raised both by Kohl and Genscher in their talks at Chequers on Friday. I enclose the relevant extract from the record of Mr Pym's talks with Genscher. I should be grateful for advice on the line Mr Pym should take in reply.

I am copying this letter to John Colés at No 10.

(R B Bone)
Private Secretary

R C Lowson Esq
PS/MAFF

CONFIDENTIAL

Fish

9. Herr Genscher said there was one particular problem he wished to bring to Mr Pym's attention. The Canadians had not yet given the Germans all the licences to which the FRG considered it was entitled in Canadian waters. The ostensible reason for this was a Canadian complaint that their sales of certain fish products to the Community were at an unsatisfactorily low level. The problem lay with a particular product which appealed principally to the UK market. In 1980, the UK had taken about 82% of Canadian sales of this product to the Community. In the subsequent year the UK had radically reduced its imports. Last year we had increased our take to about 50% of the amount the Canadians wish to sell in the Community.

SECRET

The Canadians had been unable, however, to dispose of most of the rest. Herr Genscher said he would be very grateful if the UK could consider the possibility of increasing its quota this year. This was an urgent matter of great importance to the FRG and he would be very grateful for any help the UK could provide. Mr Pym said that the whole question of import quotas for fish or fish products was an extremely difficult one and he could make no promises other than to have the question examined.

Distribution

PS
PS/PUS
Sir J Bullard
Mr Evans
Mr Wright
Mr Gillmore
Mr Hannay
Defence Dept
WED
ECD(E)
ERD

Chancery, BONN
Chancery WASHINGTON

Foreign and Commonwealth Office

SECRET



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

Prime Minister

A.J.C. 31

31 January 1983

SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

[Handwritten signature]
FISHING AGREEMENT

Many thanks for your minute of 26 January and your kind compliments about the fishing agreement, which are much appreciated.

I do think that there would be very considerable problems in making moves to obtain a pardon for Kent Kirk.

I think you will understand that our fishing industry are very hostile to the provocative action that he personally took against the advice of both his own Government and many Danish fishermen. They considered it a cheap publicity stunt designed to show his intention to fish up to our beaches in waters in which Denmark had had no historic interest. A move by our Government to eradicate the penalty that was applied to him would result in considerable hostility from the leaders of our fishing industry.

I gather that Mr Kirk has, very obligingly, carried his appeal to the Crown Court instead of going by case stated to the Divisional Court. We can urge the Crown Court to take a robust view and dismiss the appeal outright without an article 177 reference.

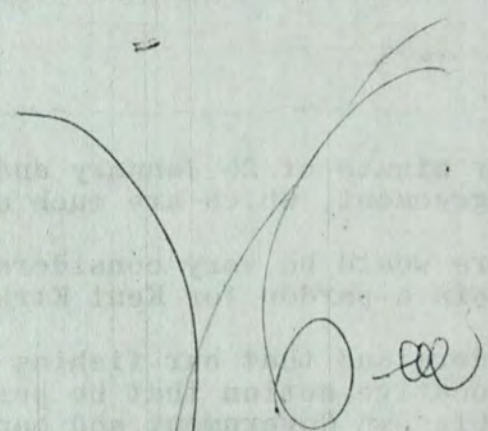
We ought to be able to succeed at Crown Court stage; and the question of a reference would not become acute unless and until there was a further appeal to the Court of Appeal.

I think you must also consider how distasteful it would be to go through the procedure of negotiating with Mr Kirk the possibility of obtaining the withdrawal of the penalty imposed upon him. I think it would be very likely that he would seek, and get, a great deal of publicity and political mileage out of such an approach. He has repeatedly made it clear that he wants to press on with his case and he is quite unscrupulous enough to disregard the convention of "without prejudice" negotiation between lawyers. He could therefore very well announce both that we have made such an approach and that he had rejected it. We would be condemned for having made such a suggestion and the anger of both British fishermen and the Labour Party would be considerable.

/I might add

I might add that since the fishing settlement he has said some extremely disobliging things about you and me, our Government and our policy. He took a gamble that he could make us look fools and lost. I therefore do feel very strongly that we should make no approach at this moment in time along the lines that you have suggested.

I am sending copies of this minute to the Prime Minister and the Secretary of State for Scotland.


81 JAN 1983 PETER WALKER

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Fishing Ind: Fisheries Big Pt 5



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

Prime Minister

A.S.C. 28.
1

From the Minister's Private Office

David Hayhoe Esq
Private Secretary to the
Lord President of the Council
Privy Council Office
Whitehall
London SW1A 2AT

28 January 1983

Dear David

COMMON FISHERIES POLICY

- ... Mr Walker has prepared the enclosed note on the settlement that was reached at the Council of Fisheries Ministers on 25 January, and which he hopes that his Ministerial colleagues might find helpful.
- / I am sending copies of this letter and enclosure to the private secretaries of the Prime Minister, other members of the Cabinet, and the Chief Whip.

Yours sincerely

Robert Lawson

ROBERT LAWSON
Private Secretary

COMMON FISHERIES POLICY: AGREEMENT OF 25 JANUARY

On 25 January the Government succeeded in obtaining a common fishing agreement covering all the main issues of quotas, access, conservation, enforcement, structures and marketing.

Last October the Government succeeded in obtaining the agreement of eight other Member States but Denmark refused to give her agreement. The Danish Government was unable to change this position in December and sought further concessions both on access and on quotas.

The agreement reached on 25 January is an agreement in which the Danish Government obtained no concessions on either quotas or access affecting the benefits obtained by the United Kingdom last October.

It is of tremendous importance for the Community that this long-standing problem has finally been resolved. This will help to create the right atmosphere for the other difficult problems which the Community will have to tackle in the months ahead. It also shows that it is perfectly possible for the Community to make progress on a basis of unanimity, and that the Luxembourg Compromise continues to have validity.

After nearly four years of difficult and tough negotiations the Government has succeeded in obtaining a remarkably fine agreement to the benefit of the British fishing industry.

The Government inherited a situation from its predecessors where eight Member States were in agreement (before Greek accession) an agreement totally unsatisfactory to the United Kingdom.

From the commencement of this Government's negotiations Peter Walker stated categorically that he would only accept an agreement that had the support of the three main fishing organisations; the British Fishing Federation, the National Federation of Fishermen's Organisations and the Scottish Fishermen's Federation. All three of these organisations have supported the agreement now obtained.

Austen Laing, then the Director-General of the British Fishing Federation, in a letter to The Times immediately after the agreement wrote:

"Many other qualifications could be attached, but none of them should be allowed to obscure the great skill and nice judgement that Peter Walker and his ministerial colleagues have exercised in getting as much as they appear to have done.

The hand which he was obliged to pick up when he assumed office was a yarborough. There was no question, therefore, of his going for a little slam, much less

/that grand

that grand slam which, holding the hand many think he ought to have held, he might well have bid for and which the industry would have liked him to have secured in any event. The fact that he bid for and made a contract which was no more than the minimum which the industry's leaders thought acceptable should not belittle a most noteworthy achievement."

The Inheritance

When the Government came into office they inherited a situation from John Silkin in which the eight other members of the Community had come to a fishing agreement at Berlin, a meeting that Mr Silkin had decided not to attend. The agreement of the eight had been unsatisfactory to the UK on quotas, on access and enforcement. The Government had to negotiate in order to persuade the Commission and the other Member States to support an agreement acceptable to the UK.

It has been argued that if Britain had a 200 mile limit a substantial quantity of Europe's fish would be in British waters. The opportunity to use this argument to obtain better quotas for the UK was in fact thrown away by the previous Government when in 1976 all Community countries were asked to go for a 200 mile limit on the basis that all waters contained within that 200 mile limit would be Community waters. This was known as the Hague agreement and was negotiated by Dr David Owen, who was then a Labour Foreign Office Minister and is now a leader of the Social Democrats. In these negotiations Ireland insisted that if they were going to agree the 200 mile limit as European waters they should gain arrangements entailing the doubling of their catch in absolute terms; this was agreed by the other Member States including Dr Owen. The Labour Government however sought no such agreement for the UK and accepted the Hague agreement which created a 200 mile limit for the Community without any specific undertaking to the UK on quotas. Although Mr Silkin did not negotiate this, it is extraordinary that, as the Minister responsible for fishing, he did not prevent his Foreign Office colleague from entering such an agreement without obtaining some advantage for the UK.

The final part of our inheritance was a fishing industry which had lost its rights in Icelandic waters, while stocks of important fish were declining and, in the last years of that Labour Government, precious little special financial aid had been given to the industry.

/The Industry

The Industry

the commencement of his attempt to negotiate a much better fishing agreement Peter Walker gave an undertaking to the industry that he would not accept any agreement that did not have their approval. He complied totally with that promise and when the final offer was made by the Commission he called in the leaders of the fishing industry and asked them whether they wished him to approve or reject. He made it clear to them that if they wanted him to reject he would do so and that they were entirely free to come to a decision. All three organisations asked him to accept the package.

Mr Norman Buchan suggested in the House of Commons on 27 October that aid to the industry of £15 million announced on that day had been used as a bribe to obtain the industry's agreement. This is totally untrue. Indeed on the Monday before the agreement Peter Walker saw all the industry leaders and told them that the aid of £15 million would be publicly announced later in the week, irrespective of whether there was an agreement or not, and irrespective of whether they backed an agreement or not. All the leaders of the industry thanked Mr Walker for making it clear that national aid was in no way linked to an agreement.

Mr Bill Letten, the President of the British Fishing Federation, issued a statement following Mr Norman Buchan's outburst confirming that the Minister had guaranteed the aid whatever the outcome and whatever the decisions taken by the industry and said:

"Our decision was not influenced by the promise of money but was made after carefully weighing the facts and assessing the consequences of alternative actions. To suggest otherwise is a slur on the integrity of myself and my colleagues and is deeply resented".

It will be seen from the following table that there is a remarkable contrast between the Conservative Government's record in giving special financial aid to the industry and that of the Labour Government. Indeed, the aid provided last autumn was more than the total of special aid given by the Labour Government in its entire period of office. Already, this Government has given almost four times the aid that Labour gave when it was responsible.

/Special aid

Special aid to the fishing industry:

Previous Government

£ million expenditure

1974/5	0.6
1975/6	11.1
1976/7	2.3
1977/8	0.1
1978/9	0.8

Total 14.9

This Government

1979/80	0.4
1980/81	17.1
1981/82	24.7
1982/83	15

Total 57.2

The Agreement

Quotas

Of the seven main species of fish, six provide more than 80 per cent of UK landings. Another species of great importance in the future, if stocks recover, is herring.

The quotas obtained for the seven main species are in excess of our fishing in the years from 1973-78 and indeed for most stocks are as great as, or greater than, the exceptionally high level of fishing of these species in 1981. To illustrate this, the average catch of North Sea cod in the years 1973-78 was 85,000 tonnes, while the quota provided in this agreement for 1982 was 114,700 tonnes. The new quotas provide the UK with 47 per cent of the EC availability of North Sea cod, 60.5 per cent of the EC availability of west coast herring and 58.7 per cent of the EC availability of west coast mackerel.

With the conservation measures and the enforcement measures described below, it is likely that stocks will increase over the years instead of decline and therefore that these percentages will give the industry good growth prospects.

/The proportion

The proportion of quotas for the seven main edible species is:

United Kingdom	37.3%
Denmark (including Greenland)	25.5%
France	11.6%
Germany	11.4%
Netherlands	7.7%
Ireland	4.6%
Belgium	1.9%
Italy	nil
Greece	nil
Luxembourg	nil

Some measure of the success of the negotiation undertaken by this Government can be obtained from the fact that, when they took up the negotiations, the Commission's first proposals offered only 31% of the stocks of the 7 main species. Every percentage point gained since then has been at the expense of other Member States.

Access

The agreement provides British fishermen with a better domination of our coastal waters than has been available at any time in the history of the fishing industry.

Up to 1964 Britain enjoyed a three mile exclusive zone. When the London Convention was adopted in 1964 and limits were extended first to six and then to twelve miles agreement was reached with all the other fishing countries as to what historic fishing rights should be allowed in the 6-12 mile belt. These rights were agreed to by all the countries involved in the London Convention and were the historic rights by which we had to abide in the 6-12 mile zone until the UK joined the Community. In 1973 under the Treaty of Accession, other Community countries demanded and obtained a further extension of historic rights.

What has been negotiated in this agreement is the elimination of most of the Treaty of Accession rights, and an improvement on the rights that existed prior to accession. Under the terms of the Treaty of Accession, Member States held rights in respect of 1,999 miles of our 2,667 miles of coastline.

/In the

In the agreement now reached these rights would be eliminated or reduced in 1,441 miles of those 1,999 miles. A major improvement has therefore been achieved in 72 per cent of the coastline where historic rights previously existed.

United Kingdom fishermen will also obtain important rights in 6-12 mile areas of other Member States. This includes rights to fish all species in the French waters from the frontier with Belgium to Capd'Alprech for demersal species from Texal Island in the Netherlands to the border with Germany, cod and plaice around Heligoland in Germany, and to fish for most species round the Irish Republic from Minehead east along the southern coast and north up the eastern coast to the Ulster border. The arrangements under which Northern Ireland fishermen can fish in any part of the Irish Republic's 12 mile area, and vice versa are also continued; arrangements that work very much to the advantage of Northern Ireland's fishermen.

Added to this, a box has been obtained around the Shetland Islands where fishing by larger vessels will be licensed so that the important stocks for that area can be carefully conserved, and, over the years, enhanced. There is no restriction on vessels under 80 feet in length, which is to the advantage of United Kingdom, particularly Scottish, vessels. These arrangements provide a 20 year guarantee against a really major increase in the intensity of fishing in a fishing area of vital importance to us.

Enforcement

One of the most important demands of our fishermen was to have a sensible system of enforcement in which Member States could not overfish their quotas or infringe the access provisions. The agreement provides a system which

/will ensure

will ensure the effective control of fishing by all fishermen in the Community. The United Kingdom Government provided the first proposals for such a regulation. It sets out clearly Member States' obligations to ensure that Community fisheries rules are obeyed. The United Kingdom will be responsible for enforcement within our own ports and fishing limits. In addition, at the United Kingdom's insistence, the Commission are establishing a special unit whose specific task will be to check up on Member States' fulfilment of their enforcement responsibilities. Inspectors from this unit will make regular visits to all the Member States concerned, will have the power of on the spot inspection, and will be able to accompany the national inspector to check that agreed control measures are being properly enforced. The Commission will have the power to ask for information and call for and attend an administrative enquiry if it is not satisfied with that information. Of most importance the Commission will be able to stop Member States fishing when there is reason to believe its quota has been exhausted.

Substantial penalties will be available. A fine of up to £50,000 plus the confiscation of the very costly gear will add up to a major disincentive to over fish.

Conservation

We will have a new regime to meet some important United Kingdom needs and establish on a permanent basis the vital Norway pout box. The proposals will also include a more rigorous control on beam trawling. Our previous national measures will now be put on a Community basis, and the South-West England mackerel box will continue. These measures, plus effective quota enforcement will give the fishing industry increasing instead of declining stocks.

Marketing

The industry has welcomed the improved arrangements already agreed and this will give a new stability to the market. In future, in close collaboration with the industry we will discuss marketing arrangements to secure a stability and a prosperity in the industry.

/Structures

Structures

The structures package is made up as follows:

	<u>EC budget</u> (million units of account)	<u>EC budget</u> £m approx	EC share of total cost to Member State	Duration (years)
Decommissioning (scrapping)	32	18	50% (of up to approx £360 per tonne)	3
Vessel building and modernisation	118	66	25%*	3
Laying up Grants	44	25	50%	3
Joint Ventures	7	4	50%	3
Development of aquaculture	34	19	25%*	3
Artificial Reefs	4	2	50%	3
Exploratory Voyages	11	6	50%	3
Total	250			

* 50% in Ireland (including N Ireland), Greenland, Greece, the Mezzogiorno and the Departments D'Outre Mer.

Substantial scrapping, modernisation and construction grants will be made to our fleet and the Community will finance 50% of all scrapping grants of about £360 per tonne and 25% of the cost of modernising vessels.

Conclusion

For the first time for many years the fishing industry will have the prospect of a stable and secure future. A future that will enable fishermen to make rational decisions on investment and will enable Governments, in collaboration with the industry, to pursue policies to provide the United Kingdom with a stable and prosperous fishing industry.

What has been achieved is immensely superior to anything on offer under the previous Government and what has been achieved has been obtained by Ministers who for 3½ years have consulted the industry on every negotiating move and decision that they have taken. The Government can claim to have fulfilled its promise to the industry and their record is in stark contrast to their predecessors', where there was plenty of rhetoric but no agreements and very little aid.

27 January 1983

Seen

Debate on the Fishing Industry

It is hoped that this brief will be of some help to Members during the above Debate on Monday 31st January, 1983.

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Introduction

During the negotiations that preceded the entry of Denmark, Ireland, the United Kingdom to the European Economic Community, the then member states hurriedly formed a Common Fisheries Policy (CFP) based on historic access to each others' waters which excluded a coastal belt of six miles, to be followed up by an agreement to allow fishing 'up to the beaches' at the end of 1982. The Conservative Government, whilst accepting the CFP, persuaded the member states that the policy must be renegotiated by 1982..

The move to exclusive 200-mile limits by all nations around the world, overtook events and the existing CFP became totally unworkable. A chance to change the CFP was missed by the Labour Government during the renegotiations culminating in the Dublin agreement in 1975. All member states extended National Fisheries Limits to 200 miles on the 1st January 1977 to create an EEC exclusive zone.

At Luxembourg on 26th October 1982 the Government succeeded in obtaining the agreement of eight other Member States to a fishing policy covering all the main issues of quotas, access, conservation and enforcement. Only Denmark did not give her agreement. The nine countries that were in agreement made it clear that in the event of the failure of the Danish Government to agree, they would take Commission approved national measures. This they did on the 1st January with the agreement of the European Commission and within the legal parameters of the Treaty of Rome.

an agreement

On the 25th January 1983, the Government succeeded in obtaining/with all Ten Member States of the European Community which will run for 20 years into the next century. After 3½ years of difficult and tough negotiations the Government has achieved an agreement that is acceptable to all the fishing organisations - the British Fishing Federation, the National Federation of Fishermen's Organisations and the Scottish Fishermen's Federation.

The Inheritance

When the Government came into office they inherited a situation from John Silkin in which the eight other members of the Community (Greece at that time was not part of the Community) had come to a fishing agreement at Berlin, a meeting that Mr Silkin had decided not to attend. The agreement of the eight had been totally unsatisfactory to the UK on quotas, on access and on enforcement. The Government had to negotiate in order to persuade the Commission and the other Member States to support an agreement acceptable to the UK.

It has been argued that if Britain had a 200 mile limit a substantial quantity of Europe's fish would be in British waters. The opportunity to use this argument to obtain better quotas for the UK was in fact thrown away by the previous Government when in 1976 all Community countries were asked to go for a 200 mile limit on the basis that all the waters contained within that 200 mile limit would be Community waters. This was known as the Hague agreement and was negotiated by Dr David Owen, who was then a Labour Foreign Minister and is now a leader of the Social Democrats. In these negotiations Ireland insisted that if they were going to agree to the 200 mile limit as European waters they should gain arrangements entailing the doubling of their catch in absolute terms; this was agreed by the other Member States including Dr Owen. The Labour Government however sought no such agreement for the UK and accepted the Hague agreement which created a 200 mile limit for the Community without any specific undertaking

to the UK on quotas.

The final part of our inheritance was a fishing industry which had lost its rights in Icelandic waters, while stocks of important fish were declining and, in the last years of that Labour Government, precious little special financial aid had been given to the industry.

The UK Fishing Industry

At the commencement of his attempt to negotiate a much better fishing agreement Peter Walker gave an undertaking to the industry that he would not accept any agreement that did not have their approval. He complied totally with that promise and when the final offer was made by the Commission he called in the leaders of the fishing industry and asked them whether they wished him to approve or reject. He made it clear to them that if they wanted him to reject he would do so and that they were entirely free to come to a decision. All three organisations asked him to accept the package. "The House will know that I have always undertaken that I would only approve an agreement that has the approval of the British Fishing Industry. When the Commissions final proposals were made I met the leaders of the three fishing organisations and all three asked me to accept these final proposals" (Hansard, 27th October 1982, Col 1051).

Mr Norman Buchan suggested in the House of Commons on 27 October that aid to the industry of £15 million announced on that day had been used as a bribe to obtain the industry's agreement. This is totally untrue. Indeed on the Monday before the agreement, Peter Walker saw all the industry's leaders and told them that the aid of £15 million would be publicly announced later in the week, irrespective of whether there was an agreement or not, and irrespective of whether they backed an agreement or not. All the leaders of the industry thanked Mr Walker for making it clear that national aid was in no way linked to an agreement.

Aid to the Fishing Industry

It will be seen from the following table that there is a remarkable contrast between the Conservative Government's record in giving special financial aid to the industry and that of the Labour Government. Indeed, the aid announced in October 1982 was more than the total of special aid given by the Labour Government in its entire period of office. Already, this Government has given almost four times the aid that Labour gave when it was responsible.

<u>Previous Government</u>	<u>£ million expenditure</u>
1974/5	0.6
1975/6	11.1
1976/7	2.3
1977/8	0.1
1978/9	0.8
<u>Total</u>	14.9
<u>This Government</u>	
1979/80	0.4
1980/81	17.1
1981/82	24.7
1982/83	15.0
<u>Total</u>	57.2

(Source: MAFF January 1982)

The Agreement

Quotas

Of the seven main species of fish (Cod, Haddock, Saithe, Whiting, Plaice, Mackerel and Red Fish), six provide more than 80 per cent of UK landings. Another species of great importance in the future, if stocks recover, is herring.

The quotas obtained for the seven main species are in excess of our fishing in the years from 1973-78 and indeed for most stocks are as great as, or greater than, the exceptionally high level of fishing of these species in 1981. To illustrate this, the average catch of North Sea cod in the years 1973-78 was 85,000 tonnes, while the quota provided in this agreement for 1982 is 114,700 tonnes. The new quotas provide the UK with 47 per cent of the EC availability of North Sea Cod, 60.5 per cent of the EC availability of West Coast herring and 58.7 per cent of the EC availability of west coast mackerel.

With the conservation measures and the enforcement measures described below, it is likely that stocks will increase over the years instead of decline and therefore that these percentages will give the industry good-growth prospects.

The proportion of quotas to each Member State for the seven main edible species is:

United Kingdom	37.3%
Denmark (including Greenland)	25.5%
France	11.6%
Germany	11.4%
Netherlands	7.7%
Ireland	4.6%
Belgium	1.9%
Italy	NIL
Greece	NIL
Luxembourg	NIL

Some measure of the success of the negotiations undertaken by this Government can be seen from the fact that, when they took up the negotiations, the Commissions' first proposals offered only 31 per cent of the stocks of the seven main species. Every percentage point gained since has been at the expense of other Member States.

Access

The agreement provides British fishermen with a better domination of our coastal waters than has been available at any time in the history of the fishing industry.

Up to 1964 Britain enjoyed a three mile exclusive zone. When the London Convention was adopted in 1964 and limits were extended first to six and then to twelve miles, agreement was reached with all the other fishing countries as to what historic fishing rights should be allowed in the 6-12 mile belt. These rights were agreed to by all the countries involved in the London Convention and were the historic rights by which we had to abide in the 6-12 mile zone until the UK joined the Community. In 1973 under the Treaty of Accession, other

Community countries demanded and obtained a further extensions of historic rights.

This agreement has eliminated most of the Treaty of Accession rights, and has improved on the rights that existed prior to accession. Under the terms of the Treaty of Accession, Member States held rights in 1,999 miles of our 2,667 miles of coastline. In the agreement now reached these rights are eliminated or reduced in 1,441 miles of those 1,999 miles. A major improvement has therefore been achieved in 72 per cent of the coastline where historic rights previously existed.

United Kingdom fishermen will also obtain important rights in 6-12 mile areas of other Member States. This includes rights to fish all species in the French waters from the frontier with Belgium to Cap d'Alprech for demersal species, from Texal Island in the Netherlands to the border with Germany, cod and plaice around Heligoland in Germany, and to fish for most species round the Irish Republic from Minehead east along the southern coast and north up the eastern coast to the Ulster border. The arrangements under which Northern Ireland fishermen can fish in any part of the Irish Republic's 12 mile area, and vice versa are also continued; arrangements that work very much to the advantage of Northern Ireland's fishermen.

Added to this, a box has been obtained around the Shetland Islands where fishing by larger vessels will be licensed so that the important stocks for that area can be carefully conserved, and, over the years, enhanced. There is no restriction on vessels under 80 feet in length, which is to the advantage of United Kingdom, particularly Scottish vessels. These arrangements provide a 20 year guarantee against a really major increase in the intensity of fishing in a fishing area of vital importance to us.

Enforcement

One of the most important demands of our fishermen was to have a sensible system of enforcement in which Member States could not over fish their quotas or infringe the access provisions. The agreement provides a system which will ensure the effective control of fishing by all fishermen in the Community. The United Kingdom Government provided the first proposals for such a regulation. It sets out clearly Member States obligations to ensure that Community fisheries rules are obeyed. The United Kingdom will be responsible for enforcement within our own ports and fishing limits. In addition, at the United Kingdom's insistence, the Commission are establishing a special unit whose specific task will be to check up on Member States' fulfilment of their enforcement responsibilities. Inspectors from this unit will make regular visits to all the Member States concerned, will have the power of on the spot inspection, and will be able to accompany the national inspector to check that agreed control measures are being properly enforced. The Commission will have the power to ask for information and call for and attend an administrative enquiry if it is not satisfied with that information. Of most importance the Commission will be able to stop Member States fishing when there is reason to believe its quota has been exhausted.

Under the agreement of nine last year where National measures for enforcement applied, UK courts could only prosecute vessel owners from Denmark, with cases involving other Members States vessels being referred to the country in which the vessels were registered. Now, under the final

agreement of the 25th January, all vessels caught infringing Community law will be prosecuted in British courts.

Substantial penalties will be available. A fine of up to £50,000 plus the confiscation of the very costly gear will add up to a major disincentive to over fish.

Conservation

There will be a new regime to meet some important United Kingdom needs and establish on a permanent basis the vital Norway pout box in the North Sea. The proposals will also include a more rigorous control on beam trawling. Our previous national measures will now be put on a Community basis. It is this measure that will give the fishing industry increasing instead of declining stocks.

Marketing

The industry welcomes the improved arrangements and this will give a new stability to the market. In future, in close collaboration with the industry the Government will annually discuss marketing arrangements to secure a stability and a prosperity in the industry.

Structures

The structure package is made up as follows:

	<u>EC budget</u> (million units of account)	<u>EC budget</u> £m approx.	EC share of total cost to Member State.	Duration (Years)
Decommissioning (scrapping)	32	18	50% (of up to approx. £360 per tonne).	3
Vessel building and modernisation	118	66	25%*	3
Laying up Grants	44	25	50%	3
Joint ventures	7	4	50%	3
Development of aquaculture	34	19	25%*	3
Artificial Reefs	4	2	50%	3
Exploratory Voyages	11	6	50%	3
Total	250			

*50% in Ireland (including Northern Ireland), Greenland, Greece, the Mezzogiorno and the Departments D'Outre Mer.
(Source: MAFF October 1982).

Substantial scrapping, modernisation and construction grants will be made to our fleet and the Community will finance 50% of all scrapping grants of up to £360 per tonne and 25% of modernisation grants.

Conclusion

For the first time for many years the fishing industry will have a

secure future. A future that will enable fishermen to make rational decisions on investment and will enable Governments, in collaboration with the industry, to pursue policies to provide the United Kingdom with a stable and prosperous fishing industry.

What has been achieved is immensely superior to anything on offer under the previous Government and what has been achieved has been obtained by Ministers who for 3½ years have consulted the industry on every negotiating move and decision that they have taken. The Government can claim to have fulfilled its promise to the industry and their record is in stark contrast to their predecessors', where there was plenty of rhetoric but no agreements and very little aid.

As Peter Walker said of the Agreement: "There is no doubt that fishing is an area in which it is vital to have a common agreement throughout European waters if growth, as opposed to decline, is to be the future of fishing. I believe the agreements reached yesterday are good for Europe and good for Britain." (Hansard 26th January 1983 Col 905).

R B-C/CB
27/1/83

✓ cc Master
Ops



22

10 DOWNING STREET

Lawrence

THE PRIME MINISTER

Personal Minute

No. M4/83

MINISTER OF AGRICULTURE, FISHERIES AND FOOD

At this morning's Cabinet meeting I was delighted to express to you the congratulations of the Cabinet on the agreement on the European Community's common fisheries policy.

After starting from a position in which Britain was isolated in the Community in defending the interests of our fishermen, it is a splendid achievement to have reached an agreement which is not only acceptable to our partners but has been welcomed by the United Kingdom fishing industry. That achievement is a tribute to the expertise, negotiating ability and stamina of yourself, George Younger and your teams. It is a landmark in the development of the European Community, and I am delighted that Britain has played a leading part in its attainment.

Please pass my warmest congratulations to Alick Buchanan-Smith and the officials in all Departments who have supported you in the negotiations.

I am copying this minute to the Foreign and Commonwealth Secretary, the Secretary of State for Scotland and Sir Robert Armstrong.

Margaret Thatcher

27 January 1983

5



Pine Muntin

JH

26/1

FCS/83/13MINISTER FOR AGRICULTURE, FISHERIES AND FOODCommon Fisheries Policy Agreement

1. Many congratulations on your splendid achievement in getting the Common Fisheries Policy into harbour at last. I am very conscious of the enormous efforts which you, George Younger, Alec Buchanan-Smith and your able team of officials have put into these negotiations over the past months and, indeed, years. I particularly admired the skill with which you managed to maintain the solidarity of the 'Nine' and the Commission in the face of Danish demands for further concessions. This was surely the key to final success.

2. It is of tremendous importance that this long-standing Community problem, which dates back to our accession, has at last been resolved and on terms which protect and further our interests. This success could help to create a favourable atmosphere for dealing with the other difficult problems we shall have to face in the months ahead.

3. One loose end which remains is Mr Kent Kirk's appeal against his conviction and his attempt to get this issue of the legality of our national measures taken to the European Court. I understand that some consideration is being given to the possibility of seeking a free pardon for Mr Kirk. I would only say that, despite the evident difficulties of such a course, since there can be no question but that he was rightly convicted, I do see great advantages in avoiding a European Court case on the validity of national measures and in particular of the special provisions on access which are so crucial a part of the deal we have struck.

/4.



4. I am copying this minute to the Prime Minister,
Secretary of State for Scotland and Mr Buchanan-Smith.

A handwritten signature in black ink, appearing to be 'FP', is written above the typed name.

(FRANCIS PYM)

Foreign and Commonwealth Office
26 January 1983



WM Fisheries
W1

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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
London
SW1

26 January 1983

Dear Willie

COUNCIL OF FISHERIES MINISTERS: 25 JANUARY 1983

...
3.30pm I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely

Robert Lawson

ROBERT LOWSON
Private Secretary

DRAFT PARLIAMENTARY STATEMENT

With permission Mr Speaker, I wish to make a statement on the Council of Fisheries Ministers yesterday in Brussels, at which I represented the United Kingdom together with my rt. hon. Friends the Secretary of State for Scotland and the Minister of State.

I am pleased to inform the House that a full and unqualified agreement was reached on a Common Fisheries Policy, precisely in the terms reported to this House as agreed between 9 of the 10 Member States in December.

The agreement reached yesterday had the full approval of the three main fishing organisations.

The agreement will last for 20 years and therefore will provide a very firm long-term basis for our fishing industry to take advantage of the substantial benefits they receive from it.

The quotas we have obtained are above our actual catches in the years 1973 to 1978, which is the period that was used as a basis for calculating quotas. The quotas agreed for the 7 main species of edible fish, which are the species of dominant importance to the United Kingdom fishing industry, provide Britain with 37.3% of the stocks in European waters; a figure higher than our actual catch for most stocks even in exceptional years.

The quotas that have been achieved are in stark contrast to the offer of 31% incorporated in the first proposal with which I was confronted when the United Kingdom was in a minority of one.

But perhaps the most important aspect of agreeing such good quotas and the technical measures on conservation is that these are coupled with an agreement on an effective enforcement system. Consequently, we now have the prospect that fishing stocks over the coming decades are likely to increase rather than deteriorate, therefore giving our industry the potentiality of growth instead of decline. Each Member State will enforce these measures in its own waters but subject to Commission supervision to ensure that such enforcement really is effective.

The Council clarified the position on western mackerel by an agreed statement that rights to fish will be accorded only to those who have established a traditional fishery. There was a specific renunciation of any claim to western mackerel on the part of Denmark.

It was also made clear that the 2,000 tonnes of North Sea cod, which were made available to Denmark from Norway and were outside the quota agreements, was a commitment limited to three years.

On access the agreement provides British fishermen with a better dominance of our coastal waters than anything that they have enjoyed in the history of the British fishing industry. Previously existing historic rights in our 6-12 mile limit, some under the terms of the London Convention and others in the Treaty of Accession, have been reduced or altogether extinguished along nearly three-quarters of the coast line where these rights previously existed.

We have also obtained valuable rights in the 6-12 mile limits in French, Dutch, German and Irish waters.

Contained within the package are important proposals on structures, where over a three year period Community grants will be available up to a total of £140 million. The bulk of these funds are allocated to measures which are of particular interest to the British industry.

Agreement was also reached on the Community's 1983 reciprocal fishing agreements with Norway, Sweden and the Faroes as well as on fishing in the Skagerrak and Kattegat. These arrangements are all satisfactory and agreement has the very important benefit that our vessels can, from today, re-start fishing in Norwegian waters.

I am pleased that, after four years of difficult negotiation, we have obtained this agreement and I would like to record my gratitude to the leaders of the fishing industry who have attended every meeting with me and who have discussed and agreed what we have negotiated. They have welcomed the agreement because they share with the Government the view that this provides the basis upon which the fishing industry can obtain a secure future, to the benefit of fishermen and to the benefit of Britain.

There is no doubt that fishing is an area in which it is vital to have a common agreement throughout European waters if growth, as opposed to decline, is to be the future of fishing. I believe the agreements reached yesterday are good for Europe and good for Britain.



Foreign and Commonwealth Office

London SW1A 2AH

15 January 1983

Robert Lawson Esq
Ministry of Agriculture, Fisheries
and Food
Whitehall Place
LONDON SW1A 2HH

N. S. P. R.

Dear Robert,

AR 15/1

COMMON FISHERIES POLICY NEGOTIATIONS

I phoned you yesterday evening as soon as we had received the draft article by Mr Walker enclosed with your letter of 14 January to Roger Bone and I said that I would very probably want to get in touch with you about it over the weekend. Mr Pym has now seen the draft. He notes that matters are at a very delicate stage: Herr Genscher is working to get the Danes on board; the Danish Government is trying to persuade the Opposition Social Democrats; litigation is in prospect or in train (Kirk in our courts, and the Danish Government has initiated separate proceedings against us and against the Commission in the European Court); and some in the Commission continue to have doubts about our measures.

In the circumstances, Mr Pym believes that an important public intervention on our part (which Mr Walker's article would certainly be) should be judged against the following criteria:

- (i) It should contribute to our objective of getting the 9 together and presenting the issue as one between Denmark and the rest of the Community, not Denmark and Britain;
- (ii) it should be designed to influence favourably one or more of the crucial actors;
- (iii) It should not give hostages to fortune on the legal front.

Mr Pym thinks that the draft needs looking at very carefully with this in mind.

There are two aspects which strike him as of particular importance: the likely effect of the article on the Opposition in Denmark who cannot be out-voted and, therefore, have to be persuaded; and the way that legal points are addressed. On the former, the Danish Government is in effect trying to work with the former Economics Minister and to isolate the former Fisheries Minister. Mr Pym has the strongest reservations about commenting publicly about the Parliamentary situation in Denmark. He does not think that the references in the draft to the Danish Opposition will be helpful. And he has serious doubts about the likely

/effect



effect of the last paragraph which the Danes may see as an attempt to bully them by the implied threat of damage to their trade with Britain. On the legal aspects, we clearly have to be very careful about how we express in public points relevant to present or prospective litigation whether or not these matters are strictly speaking sub judice. Is it, for example, wise to refer (page 5 of the draft) to 'the rights which [the Danes] regained on joining the Community'?

Mr Pym feels strongly that the draft should not be released for publication until these points have been further discussed and Legal Advisers have had a chance to look at the text. This could be done urgently on Monday morning.

I am sending copies of this letter to John Coles at No 10 and to Muir Russel at the Scottish Office. ✓

Yours
m

A. H. H. H.
Resident Clerk

pp. B J P Fall
Private Secretary

(dictated by Mr. Fall and
signed in his absence)

Removed by A.S.C. from Bone



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

From the Minister's Private Office

Prime Minister

This is a good article by Peter Walker. but if you do not have time to read it this weekend it does not matter.

A.S.C. 14/1

R J Bone Esq
Private Secretary to the
Secretary of State
Foreign and Commonwealth Office
12 Downing Street
London SW1A 2AL

14 January 1983

Dear Roger

COMMON FISHERIES POLICY NEGOTIATIONS

... Mr Walker has prepared the enclosed draft article which the Times has agreed in principle to publish, we hope on Monday of next week. Clearly it would be very helpful if our Embassy in Copenhagen and UKREP Brussels had copies of this for release immediately on publication in London, as some form of official press notice.

The Times have not yet finally confirmed whether the article will be printed on Monday or Tuesday, nor have they yet had any opportunity to indicate what changes they might want. I wonder therefore if you could arrange for a copy of this article to be passed to your resident clerk. If it is confirmed over the weekend that the article will be printed on Monday, I can then tell the resident clerk and let him have any amendments so that it may be transmitted to the posts concerned, with the request that it be drawn to the attention of appropriate people in the local press.

I am sending copies of this letter to Muir Russel in the Scottish Office and John Coles at No 10.

Yours sincerely
Robert Lawson

ROBERT LAWSON
Private Secretary

[Today] [Tomorrow] in Brussels, the Danish Foreign Minister, Mr Elleman-Jensen, the European Commission, and the German Foreign Minister, Mr Genscher, as Chairman of the EEC Council of Ministers, will be trying once more to make progress on the EEC's Common Fisheries Policy.

For the future of the fishing industries of all Community countries a European agreement is vital.

Fish have no respect for fishery limits. Unless the Community agrees upon policies of conservation then like herring, one by one the main fish stocks are likely to disappear. Overfishing by one country destroys the potential fishing for another. If the fishermen of Europe are going to have increasing stocks instead of declining stocks, they all need a common fishing agreement, with powerful and effective enforcement.

The two countries that require this more than any other are the United Kingdom and Denmark, because we are the two biggest fishing nations in the EEC.

It is for this reason that I hope that the Danes will agree to the package that now has the agreement of the European Commission, 9 member countries, and the Danish Government - but not the Danish Parliament.

It is also the belief of the Commission and those 9 other countries that what is on offer to Denmark is fair and reasonable. A common

/fishing agreement ...

fishing agreement is prevented not by the Danish Government but by the main Opposition party who, in the best tradition of Opposition parties, state that they would like more benefits for Denmark than the deal which the Government have negotiated. It is because the Danish Government is in a minority that as yet they have failed to obtain the agreement of the appropriate Danish Parliamentary Committee.

It is important to put into perspective the realities of the Danish fishing industry. I read in newspapers reports that the one Danish fisherman who decided to violate our national fishery measures had said how wrong it was that Denmark was only being provided with 23% of the fishing quotas when traditionally they had obtained 27%.

What are the facts?

The first fact is that Denmark is the one country in the Community with a major fishing industry that catches fish not for human consumption but for industrial purposes such as the production of animal feed and fertilisers. This kind of fishing is free of quota restriction under the agreement that has been suggested and will continue on its present enormous scale. In 1981, the last year for which figures are available, Denmark caught 1,337,000 tonnes of fish for industrial purposes. The next biggest catch in the Community was the United Kingdom with 104,000 tonnes. In fact, in 1981, of a total catch of fish for industrial purposes some 85% was caught by Denmark. The Danes will be able to continue, free of quota restriction, with this enormous industrial fishery. No other country in Europe will have so substantial a proportion of its fishing free of quota restriction.

/Secondly, ...

Secondly, Fishing Ministers throughout the Community are amused to hear certain Danish fishermen and some Danish politicians complain that Denmark's quota of edible fish of the main species has been reduced from 27% to 23% as compared with the average of their fishing in the five years 1973 to 1978. The only reason for this reduction is that the Danish Government asked for the fish caught in Greenland waters to be left out of the Commission's 1982 proposals and out of the calculation of the average catch for 1973 to 1978. The Council of Ministers were happy to accept this request, but of course if the Greenland figures were to be included again then the catch would still be 27% for Denmark, identical to the average catch in the five years of 1973 to 1978.

When I first became the Minister responsible for fishing, the main disagreement between the United Kingdom and Denmark concerned the area in which we were banning industrial fishing. This was an area in the North Sea described as the Pout Box as this was the locality where the Danes wished to catch a fish called Norway Pout. I was determined to remove this friction between our two countries and held talks in Copenhagen and in London at which we came to an agreement.

More recently, the Danish Government complained that due to the disappearance of the mackerel stocks in the North Sea their manufacturing industry was not obtaining the supplies of mackerel that they needed while British fishermen were selling their mackerel to the Soviet Union. We negotiated a change in the fishing and marketing of mackerel by the British industry with the result that over this last year

/mackerel supplies ...

mackerel supplies to Denmark have more than doubled, solving that particular problem. I cite these as examples of the way, as a Community member, we have genuinely tried to help our Danish friends.

Denmark considers that the national measures that we have now taken with the approval of the European Commission might be illegal. That is not the view held by the European Commission. The Danish viewpoint is based upon a suggestion that, in the absence of any agreement to the contrary before 1 January 1983, the combined effect of various EEC provisions would be to create the right to fish anywhere in Community waters up to the beaches. It would be remarkable for Denmark to pursue such a view when their own Minister has said that he deplures any Danish fisherman who fishes in waters where they have not historically fished. The Danes have no interest in our 12-mile zone; they surrendered their claims to this area when 12-mile limits were established by the London Convention in 1964, and there is no record of their having used the rights which they regained on joining the Community. It is an even more remarkable approach in view of changes, with the full agreement of the Danish Government, that have occurred since the Treaty of Accession.

There has been the Hague Agreement, when EEC Ministers agreed on the need to take action to regulate fishing activity in coastal belts. Clearly, what was envisaged was restrictions additional to those currently in force. Also, on 30 May 1980 the Council of Ministers declared that from 1 January 1983, access arrangements should be consistent with the Hague Agreement. It follows that the need for access restrictions from 1 January 1983 has already been decided upon

/by Ministers ...

by Ministers. These provisions are not swept aside by the so-called principle of free fishing.

Added to which when the CFP negotiations were blocked by Denmark in December the Commission called upon Member States to take the appropriate measures on a national basis to conserve the fishing stocks of Europe. I specifically asked the Commissioner whether this request was to apply to both the quota and the access proposals. He gave such a categoric assurance. We have since complied with that request and our measures received Commission approval on 5 January. There are indeed strong conservation arguments for avoiding an increase of fishing above traditional levels in the 12-mile zone, where many of the main nursery grounds are situated.

Talks are taking place between the Commission, the new German Presidency and the Danish Government in order to seek an agreement in this coming week.

The Commission and 9 Member States have made it clear that there is no possibility of the package agreed after such prolonged negotiations being re-opened. They take this view out of no hostility to Denmark, but out of the knowledge that they have bent over backwards to see that Denmark have not just a reasonable agreement but one that will give a secure and good future for the Danish fishing industry.

/The British Government ...

The British Government has done everything in its power to prevent hostility between our two countries. The Danes are old friends, and we have a good and congenial commercial relationship. One of the main motivations for Denmark's joining the Community was the vital importance of the British market, which accounts for the great bulk of Danish bacon exports and a very substantial proportion of their exports of dairy products. Not only that, but we are also major importers of Danish fish! My desire has been that this good relationship should continue and I hope our Danish friends will recognise that the British Government has done everything it can to prevent any damage to that relationship. It would, however, be a point of very genuine complaint, not just by Britain but by the entire Community, if after all that has been done and all the understanding that has been shown, the enormous advantages to fishermen throughout Europe of a common fishing agreement continue to be endangered by the demands of the main opposition party in a nation whose reasonable demands have already been met.



10 DOWNING STREET

PRIME MINISTER

CAROL

You are aware that one of the fishermen who may cause trouble is Mr. Kirk (who is also a Danish Member of the European Parliament and that he may be trying to get himself arrested.

The Duty Clerk rang to say that apparently Mr. Kirk is taking a holiday at the moment and so is unlikely to advance his campaign until Monday.

STEPHANIE

1 January, 1983



10 DOWNING STREET

PRIME MINISTER

The Duty Clerk rang to say that he has been talking to the Ministry of Agriculture who confirm that Denmark has decided to reject the Common Fisheries package.

MAFF will be keeping him informed of any further developments on this.

Stephanie

STEPHANIE

1 January, 1983

Fisheries

Rick

Signed Orders
making

PRIME MINISTER

proposed part of our
national law.

Fisheries Statement

The Opposition went through the same ritual that they always follow on fisheries statements. Mr. Millan said that the whole package was completely unacceptable, and there would have to be an early debate. It was a hollow claim to say that the UK fishing industry agreed to the package; they had only accepted it for lack of anything better, and for the certainty it might provide. Now there was no certainty. They could not comment on the Orders implementing national measures because these had not yet been laid before the House; but there were clearly doubts about their legality, which would only be cleared up if tested in the European Court. He asked for an assurance that these measures would be enforced exclusively by the UK in UK waters, and that the task of enforcement would not be shared with our Community partners. Concessions had been made to the Danes in the course of negotiations; these must now be withdrawn.

Mr. Walker said that the Opposition were clearly distressed that the fishing industry agreed with the package. The Nine were agreed on the legality of national measures; Danish fishermen might think otherwise, but the Danish Government had not disputed their legality. No concessions had been made in negotiations by the UK which affected UK interests; other concessions had been made which were now withdrawn. That was why the Danish Prime Minister had recommended the package to his Parliament. It was only the Opposition party in Denmark who were holding out, and that party was a Socialist party. Perhaps the Opposition could use their influence with their Danish colleagues. He would warmly welcome a debate.

In subsequent questioning, Mr. Walker added that Danish Ministers had said they would deplore a breach of the fishing rights of Member States, but the Government would be ready to arrest any Danish fisherman who attempted to fish in our coastal waters.

A number of Opposition Members, including Mr. Millan, suggested that the Scottish industry was in uproar over the package. Mr. Walker pointed out that the disagreement in the Scottish industry did not concern the Common Fisheries Policy in any way, and this showed how ignorant the Opposition were.

Finally, Mr. Walker said that it was quite irresponsible of the Opposition to give encouragement to Danish fishermen by questioning the legality of the national measures being introduced.

WM

22 December 1982



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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
London SW1

22 December 1982

** copy already with CF
W
22/12*

Dear Willie

COUNCIL OF FISHERIES MINISTERS: 21 DECEMBER 1982

... I attach a ²copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

/ I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely

Robert Lawson

ROBERT LOWSON
Private Secretary

Lee BI

COUNCIL OF FISHERIES MINISTERS: 21 DECEMBER 1982.
DRAFT STATEMENT

With permission, Mr Speaker, I should like to make a statement on the meeting of the Council of Fisheries Ministers which met yesterday in Brussels. I represented the United Kingdom, together with my rt. hon. Friends the Secretary of State for Scotland and the Minister of State.

The nine Member States were agreed on a package of measures for a revised Common Fisheries Policy. No changes to this package were proposed or discussed.

The Commission had clarified to Denmark some of the administrative measures involved in the package and had also arranged for a possible allocation of mackerel in the North Sea which would become available from Norway and the Faroes.

The Danish Government decided to refer this package to the relevant committee of their parliament with the Government's strong recommendation for acceptance.

To the bitter disappointment of the entire Community the minority Danish Government was at yesterday's meeting unable to gain the agreement of that committee. The Danish Government have undertaken to continue to seek to persuade the committee to accept the agreement and the Council has affirmed that it remains open to Denmark to signify before 30 December that the package is acceptable.

The Council then proceeded to consider what national measures would be needed in the event of the Danish Government failing to accept the agreement before the 30 December. The Commission made a declaration as to the manner in which they would authorise national measures in order to protect stocks in accordance with provisions based upon the Commission proposals that failed to gain the full agreement of the Council on October 26.

The Commission made an unequivocal statement as to the right and obligation of all Member States, in the unique circumstances of fisheries, to protect ^{this vital} ~~the common~~ resource, and the Commissioner stated that this would apply to all of the proposals on conservation, access and quotas.

/.....

Hon members may have heard the President of the Commission, Mr Thorn, confirm this morning that these measures would be effective and legal.

As far as the United Kingdom is concerned I signed this morning Orders which will make these proposals part of our national law. They will be laid before the House so that they will come into effect if necessary on January 1.

Agreement was reached on an interim package of structural measures which I know will be welcomed by our industry.

I can only express the hope that Denmark will approve this agreement before the end of the year and will take note of the warning given to them by their Prime Minister that their failure to agree will leave the Danish fishing industry in a worse and not better position.

Fishing
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288

CONFIDENTIAL

file



10 DOWNING STREET

From the Private Secretary

20 December 1982

Dear John,

COMMON FISHERIES POLICY

We agreed tonight that you would despatch the Prime Minister's message to President Thorn on the above subject, the text of which was annexed to Mr. Stapleton's minute of today's date. I enclose a copy of the text.

I am copying this letter and enclosure to Robert Lowson (Ministry of Agriculture, Fisheries and Food) and Richard Hatfield (Cabinet Office).

Yours ever

John Lowson

John Holmes Esq
Foreign and Commonwealth Office.

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Tg 01546

CONFIDENTIAL

MR COLES

cc Sir Robert Armstrong
Mr Hancock

COMMON FISHERIES POLICY

The Prime Minister decided this morning that she wished to respond to that part of President Thorn's recent message which set out the measures he felt would lead to a final agreement on a Common Fisheries Policy.

I accordingly attach a draft response, which seeks to keep up the pressure on Japan and Spain and incorporates a guardedly forthcoming line on the fisheries negotiations which has been approved by the Minister of Agriculture.

If the Prime Minister is content the Foreign Office will arrange for its despatch.

GUY STAPLETON

20 December 1982

Cabinet Office

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DRAFT MESSAGE FROM THE PRIME MINISTER TO PRESIDENT THORN

Thank you for your recent message about the prospects for progress on our problems with Japan and Spain and on the Common Fisheries Policy.

I agree that last week's discussions in the Council on both Japan and Spain were a helpful beginning. I hope that we can carry forward our mutual cooperation on both issues. In that way I look forward to early and solid progress.

On the current fisheries negotiations, we are willing to consider measures of the kind mentioned in your fourth paragraph, provided that the package of Commission proposals agreed by nine member states remains unchanged. You will understand from this that we could not agree to changes in the percentage quotas contained in the Commission's proposals.

Amund

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PRIME MINISTER

①
Fishing
Brief

COMMON FISHERIES POLICY: YOUR MESSAGE TO
PRESIDENT THORN

I have discussed this again with Mr. Walker's Office. In order that there should be no misunderstanding I said that you agreed to this message on the assumption that at tomorrow's Fisheries Council Mr. Walker would:

- (a) not agree to any modification of the present package; and
- (b) not give away any more of our fish.

Mr. Walker's Private Secretary told me that that was the clear intention underlying your message to M. Thorn. I have therefore sent off the message, the text of which you approved.

A.J.C.

20 December 1982

GRS 600

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DESKBY 191200Z
FROM UKREP BRUSSELS 181000Z
TO IMMEDIATE FCO
TELEGRAM NUMBER 4951 OF 18 DECEMBER 1982

MESSAGE FROM THORN TO PRIME MINISTER

FOLLOWING IS TEXT OF MESSAGE FROM PRESIDENT THORN TO THE PRIME MINISTER RECEIVED THIS MORNING:

DEAR PRIME MINISTER

THANK YOU FOR WRITING TO ME ABOUT YOUR PROBLEMS WITH JAPAN AND SPAIN. MR DAVIGNON HAD SPOKEN TO ME ABOUT THESE AFTER HIS RETURN FROM LONDON.

ON JAPAN, THE COUNCIL AS YOU KNOW, ARRIVED AT SOME HELPFUL CONCLUSIONS ON MONDAY, AND WE WERE GRATEFUL FOR THE STOUT SUPPORT THE COMMISSION RECEIVED FROM PETER REES AND HIS OFFICIALS IN STEERING OUR PROPOSALS THROUGH. I UNDERSTAND THE PRESSURES YOU ARE UNDER. ON TIMING, WE WILL DO OUR UTMOST OVER THE NEXT TWO MONTHS TO SECURE APPROPRIATE ASSURANCES FROM THE JAPANESE. WE WANT JAPAN TO PURSUE A POLICY OF CLEARLY-DEFINED AND EFFECTIVE EXPORT MODERATION IN SENSITIVE SECTORS. WE SHALL OF COURSE ENCOUNTER DELAYING TACTICS, BUT IF THE JAPANESE ARE CONVINCED THAT THE COMMUNITY HAS UNITED FRONT, I THINK WE SHALL END UP WITH THE RIGHT RESULT. THE COUNCIL WILL BE HAVING A FURTHER LOOK AT ALL THIS ON JANUARY 24/25 ON THE BASIS OF AN INTERIM REPORT FROM THE COMMISSION.

AS REGARDS SPAIN I CAN ASSURE YOU THAT THE COMMISSION IS WELL AWARE OF THE PROBLEMS MENTIONED IN YOUR LETTER. I HAVE PERSONALLY UNDERLINED IN CONVERSATIONS WITH THE NEW SPANISH FOREIGN MINISTER THE IMPORTANCE AND URGENCY OF ACHIEVING CONCRETE RESULTS ON THIS SENSITIVE MATTER. THIS ALSO CAME OUT CLEARLY IN VICE PRESIDENT NATALI'S REPORT TO THE COUNCIL OF MINISTERS EARLIER THIS WEEK. AS DECIDED BY THE COUNCIL, THE COMMISSION WILL NOW GET IN TOUCH WITH THE CAR INDUSTRY AND MIGHT THEN PROCEED TO HOLDING TALKS, WITH THE SPANISH AUTHORITIES. WE WILL REPORT TO THE JANUARY COUNCIL. I FIRMLY HOPE THAT ON THAT OCCASION WE SHALL BE ABLE TO REGISTER PROGRESS TOWARDS A SOLUTION OF THESE MATTERS.

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/MAY 1

CONFIDENTIAL

Norway

MAY I ADD A WORD ABOUT THE CURRENT NEGOTIATIONS FOR A COMMON FISHERIES POLICY. WE WILL, I HOPE, BE ABLE TO SECURE AN AGREEMENT ON DECEMBER 21 TO THE PRESENT PROPOSALS. IT WILL BE NECESSARY, HOWEVER, TO GIVE DENMARK EASTERN MACKEREL FOR 1983, SOME FORM OF ASSURANCE ABOUT THE CONTINUATION OF ITS MACKEREL FISHERY ON THE EASTERN STOCK AND A FORM OF STAYING POWER TO SOME SMALL ADDITIONS, ALREADY MADE, TO ITS 1982 WHITE FISH QUOTA IN THE NORTH SEA. IF WE CAN FIND A FORMULA ON THESE POINTS, DENMARK WILL DROP ITS CLAIMS TO FISH WESTERN MACKEREL AND FOR LICENCES IN THE SHETLAND BOX. THIS WILL THEN PAVE THE WAY FOR A FINAL AGREEMENT WHICH WILL BE FOR EVERYONE'S BENEFIT.

SINCERELY YOURS
GASTON E THORN

2. MAFF INFORMED BY TELEPHONE OF CONTENTS OF PARA 4. RESIDENT CLERK PLEASE INFORM SPRECKLEY (ECD(1)).

FCO ADVANCE TO:-

FCO - EVANS HANNAY CROWE SPRECKLEY
CAB - HANCOCK MS LAMBERT
DOT - GRAY SUNDERLAND MS LACKEY
MAFF - ANDREWS MASON POOLEY PACKER
TSY - LITTLER

BUTLER

ADVANCED AS REQUESTED

LIMITED
ECD(E)
ECD(I)

COPIES TO:
ADVANCE ADDRESSEES

SED
FFD
WED
NEWS.D.

PS
PS/MR. HURD
PS/PUS
SIR J. BULLARD
MR. EVANS
MR. HANNAY
MR. GOODISON

²
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FCO
PS
PS/MR HURD
PS/FUS
SIR J BULLARD
~~MR SPRECKLEY~~
MR HANKAY
MR EVANS

RESIDENT CLERK
ED/ECG(I) (3)
ED/NEWS D
ED/WED
ED/
ED/

PLUS FCO
ANDERSON
MR BARNES
LEGAL ADV.

McSPRECKLEY, ECG(I) ADVANCE COPY

CABINET OFFICE

MR D HANCOCK
MR STAPLETON
MR DUBIE
~~MR SPRECKLEY~~
MR MR KEAY

D O T (1Victoria St)

H M TREASURY

SIR K COUZENS.
MISS J COURT

MAFF

PS/MINISTER
SIR B HAYES
PS/MR BUCHANAN-SMITH
fr/MR. WALKER.

MR MASON
~~MR HURD~~
MR PACKER
MRS BLACKWELL
MR NASON
MR BELCHAMBER
MR HENSEAW
Mr P P. 26 57

Fisheries Division,
Great Westminster House

PLUS O G D's

MR BONE, N I O GOGGS
MR MORRISON DANIEL
MR G JONES WOAD

PS/S of S
MR McQUEE
MR CORMACK
MR FINDLAY

No 10 D 54 (2)
D A F S
c/o Scottish Office

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FRAME FISHERIES

FM COPENHAGEN 03/1250Z DECEMBER 82

TO FLASH FCO

TELEGRAM NUMBER 420 OF 2 DECEMBER
INFO IMMEDIATE UKREP BRUSSELS

EUROPEAN COUNCIL: DANISH POSITION: CFP

1. DANISH MINISTERS COME TO THE EUROPEAN COUNCIL UNCERTAIN WHETHER THEY WILL FACE DEFEAT IN THE FOLKETING ON THE ISSUE OF INF INFRASTRUCTURE PAYMENTS ON TUESDAY, 7 DECEMBER. IF THIS HAPPENED ON A MOTION THEY FELT MUST BE TREATED AS ONE OF CONFIDENCE, THEY WOULD VERY PROBABLY CALL AN ELECTION, EVEN THOUGH NUCLEAR POLICY WOULD BE AN UNFORTUNATE ELECTORAL ISSUE. NEGOTIATIONS BETWEEN THE DANISH PRIME MINISTER AND HIS PREDECESSOR, COVERING ALSO DEFENCE SPENDING AND SOME ASPECTS OF GOVERNMENT ECONOMIES, ARE UNLIKELY TO BE CONCLUDED TODAY.

2. IN THIS SITUATION, I JUDGE THAT IT WILL BE OUT OF THE
TO JUDGE ON THE CFP AT

2. IN THIS SITUATION, I JUDGE THAT IT WILL BE OUT OF THE QUESTION FOR THE DANISH GOVERNMENT TO BUDGE ON THE CFP AT THE EUROPEAN COUNCIL. DESPITE MR ANKER JOERGENSEN'S RELATIVELY HELPFUL POSITION, MY TELNO 419) MR SCHLUETER IS UNLIKELY TO FEEL HE CAN RELY ON HIM WITH A POSSIBLE ELECTION IN THE OFFING AND HE WILL NOT WANT TO OFFER ANY POLITICAL HOSTAGES BEFORE TUESDAY'S VOTE.

3. I STILL, HOWEVER, GET THE STRONG IMPRESSION THAT, ASSUMING THEY SURVIVE, THE DANISH GOVERNMENT MEAN TO ACCEPT THE CFP BEFORE THE END OF THE YEAR, PROBABLY AT THE FISHERIES COUNCIL ON 21 DECEMBER. THEIR PUBLIC PRESENTATION IS THEN LIKELY TO BE THAT TIME IS NEARLY OUT: DENMARK HAS GOT ALL IT CAN GET: IN THE LIGHT ALSO OF UNDERTAKINGS FROM SOME PARTNERS, THE GOVERNMENT THEREFORE CONCLUDE THAT IT IS BEST FOR DENMARK (NOT LEAST AS PRESIDENCY) AND FOR THE EC NOW TO ACCEPT.

4. THE DANES ARE EXPECTING TOUGH TALK FROM US AT THE COUNCIL AND PROBABLY NEED TO BE ABLE TO POINT TO FURTHER PRESSURE IF AND WHEN THEY DECIDE TO ACCEPT. THE PRESSURE WILL, HOWEVER, BE MORE ACCEPTABLE TO THE GOVERNMENT - AND TO THE DANISH PUBLIC - AND HENCE MORE LIKELY TO ACHIEVE OUR GOAL OF A CFP - IF IT COMBINES FIRMNESS WITH UNDERSTANDING OF THEIR PROBLEMS. (I STILL HEAR COMMENTS ABOUT THE PERSUASIVENESS OF MR WALKER'S TV INTERVIEW A FORTNIGHT AGO.)

5. IN THE COUNCIL, I ASSUME THE PRIME MINISTER MAY WISH TO CONCENTRATE ON THE COMMUNITY ARGUMENTS, EG:

- POLITICAL BENEFITS OF A CFP:

- CONSIDERABLE EFFORTS MADE TO NEGOTIATE AN AGREEMENT AS FAIR AS POSSIBLE AND ACCEPTABLE TO ALL, INVOLVING ALL IN REAL SACRIFICES AND CONTAINING CONCESSIONS TO DENMARK ON SPECIES OF GREATEST VALUE TO HER:

- REMAINING DISAGREEMENT INSIGNIFICANT BY COMPARISON BUT DANISH DEMANDS CANNOT BE MET BY HER PARTNERS BECAUSE THEY BREACH WHOLE PRINCIPLE OF BASING QUOTAS ON HISTORIC PERFORMANCE:

- THE NINE, WHO HAVE BEEN PATIENT AND CO-OPERATIVE IN HELPING DENMARK ALSO OUTSIDE THE PACKAGE AND IN ALLOWING EXTRA TIME TO REFLECT, ARE AGREED THAT WE ARE AT THE END OF THE ROAD AND A DECISION MUST BE TAKEN:

- FROM ALL POINTS OF VIEW (CONSERVATION, SECURE FUTURE FOR ALL
COMMUNITY FISHERMEN, COMMUNITY SOLIDARITY AND PROGRESS) SHORT-
SIGHTED FOR DENMARK NOT NOW TO REMOVE LAST OBSTACLES TO AGREE-
MENT.

6. FOR THE DANISH MEDIA, WE SUGGEST IN ADDITION ELABORATING FURTHER
ON

(A) BRITISH SACRIFICES, NOTABLY 50% REDUCTION IN DEEP SEA FISHING
FLEET (80% FOR TRAWLERS) IN LAST 5 YEARS AND

(B) MACKEREL ARGUMENTS

- ONLY 2 AND A QUARTER % BY VALUE OF DANISH CONSUMER CATCH:

- MACKEREL QUOTA WEST OF SCOTLAND PRECLUDED BECAUSE WOULD
BREACH VITAL BASIS FOR WHOLE CFP, HISTORIC PERFORMANCE:

- UK HAS, HOWEVER, CHANGED OWN LICENSING ARRANGEMENTS TO MAKE
AVAILABLE TO DANISH PROCESSING FACTORIES DOUBLE THE IMPORTS OF
LAST YEAR (DENMARK HAS TRADITIONALLY BOUGHT MUCH OF ITS MACKEREL
SUPPLY).

(C) (DEFENSIVE) COMPARISON OF UK AND DANISH GAINS: DISCREPANCY
BETWEEN MR WALKER'S AND MR SCHLUETER'S FIGURES DUE TO OMISSION
OF GREENLAND FROM THE LATTER: WITH IT, DENMARK'S SHARE HAS NOT
FALLEN.

THE FINAL NOTE MIGHT BE THAT THE RIGHT COURSE IS THE DIFFICULT ONE
BUT DENMARK NEVER PREVIOUSLY SHIRKED DIFFICULTIES OR
RESPONSIBILITIES AND SURELY WILL NOT DO SO NOW.

FCO PSE ADVANCE TO PS/S OF S

PS/NO 10

PS/MR WALKER, MAFF

HANNAY

SPRECKLEY

WARBURTON

NNNNN

SENT /RECD AT 02/1344Z MGD/JW

✓ Fishing Fund
CFP P: 5

Ref. A082/0344

PRIME MINISTER

Cabinet: Community Affairs

The Secretary of State for Trade will wish to report on the GATT Ministerial meeting in Geneva on 24/29 November at which the United Kingdom was represented by the Minister for Trade. Although it has received a rather negative press, there was much in the outcome with which we can be content. The meeting adopted a wide-ranging document which included decisions and conclusions covering most of the main issues: there was a realistic political commitment to the open-trading system; our ability to take safeguard action has been preserved; there are to be the studies we wanted on trade in services and on integrating the newly industrialised countries more fully into the GATT system; and an improved procedure for the settlement of disputes. On two points the Community had to enter reserves. While the EC agreed to a study of the whole question of agricultural trade issues, it was not willing to commit itself prior to the study to the negotiation of additional liberalisation in this field. The other EC reserve was on the roll-back of protective measures in order to protect our defensive measures against Japan and other East Asian suppliers.

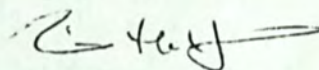
2. The Minister of Agriculture, Fisheries and Food will wish to report on the Fisheries Council on 29 November. There were no further negotiations. Nine member states reaffirmed their agreement to the Common Fisheries Policy agreed on 8 November but Denmark asked for more time. At the United Kingdom's instigation the Commission will convene a high-level working group of officials on 6 December to prepare the national measures that will be required if Danish agreement is not obtained before 31 December. The Fisheries Council is due to meet again on 21 December.

3. The Minister of Agriculture may also refer to the two subjects of his recent correspondence with you and the Foreign and Commonwealth Secretary. He minuted you on 19 November and wrote to Mr Pym on 29 November about the agreement the French have made with

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the Soviet Union for exports of subsidised agricultural products to the USSR. Mr Walker wants the maximum pressure exerted on the Commission, to ensure both that they open infraction proceedings against the French and that the French do not gain the benefit of export refunds. The Minister of Agriculture's letter to the Foreign and Commonwealth Secretary of 29 November also registered his view that, while we cannot ultimately prevent it, we should continue to object to the sale of Community butter to the Soviet Union. You discussed both these issues with the Foreign and Commonwealth Secretary on 26 November.

4. The Environment Council will meet on 3 December, and you and a number of your colleagues will be attending the European Council meeting in Copenhagen on 3/4 December.



Approved by
ROBERT ARMSTRONG
and signed in his absence

1 December 1982

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MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH



Prime Minister

From the Minister

A.P.C. 4/12.

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London
SW1A

mf

1 December 1982

Dear Prime Minister

Before our briefing meeting tomorrow it may be helpful to have a short report on progress this week on the Common Fisheries Policy negotiations.

The meeting of the Council of Fisheries Ministers on Monday was satisfactory. The nine Member States reaffirmed their agreement to the package and made it clear that there could be no alteration to the agreement that had been reached. It was interesting that Grove, the Danish Fisheries Minister, whilst not agreeing did not at any stage specifically reject the package and that Christopherson, the Deputy Prime Minister who was in the Chair, twice emphasised that the proposals were still on the table.

At the same time it was agreed that the Commission, and not the Presidency, should convene a meeting of high level officials to prepare a contingency plan for national measures should not agreement be reached. This should help to maintain pressure on the Danes to settle.

Since then I have been in touch with the Fisheries Ministers of France, Germany, The Netherlands and Ireland. They are all agreed that fisheries must be on the agenda for the European Council in Copenhagen and that their heads of State will maintain a united front with us.

I am sending copies of this letter to Francis Pym, George Younger and Sir Robert Armstrong.

Yours sincerely
Robert Lawson

for PETER WALKER
(Approved by the Minister
and signed in his absence)



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON, SW1A 2NH

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COMMUNICATIONS



Fishing Incl ~~to~~ B1.
Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1A 2HH

W Rickett Esq
Prime Minister's Office
10 Downing Street
London
SW1

30 November 1982

Dear Willes *W. Rickett*

COUNCIL OF FISHERIES MINISTERS: 29 NOVEMBER 1982

I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Mundo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely
Robert Lawson

ROBERT LAWSON
Private Secretary

DRAFT STATEMENT ON THE COUNCIL OF FISHERIES MINISTERS:
29 NOVEMBER 1982

Together with my right hon Friends the Secretary of State for Scotland and the Minister of State, I represented the United Kingdom at the meeting of the Council of Fisheries Ministers on 29 November.

Nine Member States reaffirmed their agreement to the Common Fishing Policy agreed on 8 November but the Danish Minister asked for more time to consider his response. The nine Member States made clear that there could be no alteration to the agreement that they had reached.

On the instigation of the United Kingdom Government it was agreed that the Commission would convene a meeting of high level officials to prepare the national measures that would be required should Danish agreement not be obtained before 31 December.



10 DOWNING STREET

From the Private Secretary

26 November 1982

COMMON FISHERIES POLICY

John Robbs wrote to me on 25 November enclosing a message which Mr. Walker proposed that the Prime Minister should send to the Prime Minister of Denmark.

The Prime Minister is inclined to think that a message on these lines would not serve a very useful purpose. She feels that Mr. Schluter is in no doubt about her views and that there is a danger of devaluing Prime Ministerial messages if we send too many too often.

I am copying this letter to Brian Fall (FCO), Muir Russell (Scottish Office) and Richard Hatfield (Cabinet Office).

A. J. COLES

Robert Lowson, Esq.,
Ministry of Agriculture, Fisheries and Food.



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

From the Minister's
Private Office

John Coles Esq
Private Secretary
10 Downing Street
London SW1

Prime Minister
I really think you have said enough
to Mr. Schlüter. It devalues your
messages if we send too many and do
not make new points. He is ~~in~~ in no
doubt about your views.

25 November 1982

do you wish to send the message?

Dear John,

No ✓ A.F.C. 25/11

--- I am enclosing a message which my Minister
hopes the Prime Minister will be willing to
send to Mr Schlüter. The message is, I hope,
self-explanatory.

Copies go to Brian Fall (FCO), Muir Russell
(Scottish Office) and Richard Hatfield (Cabinet
Office).

Yours sincerely,

J E ROBBS
Assistant Private
Secretary

DRAFT MESSAGE FOR PRIME MINISTER TO SEND TO SCHLÜTER["]

I very much enjoyed our talks on 22 November. I have now heard that your Foreign Minister declined, at Tuesday's Foreign Affairs Council, to agree that the Common Fisheries Policy should be on the agenda for the European Council. Now that we are clear that there will be a Fisheries Council on 29 November, I very much hope that agreement will be reached at that meeting. I must however, emphasise that failure to agree at that Council will inevitably mean that there will have to be a full discussion on fisheries at Copenhagen. I made that clear to you on Monday, and I know that other Heads of State and Government would also see the need for such a discussion.

25 NOV 1982

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FM FCO 222238Z NOV 82

TO IMMEDIATE PARIS

TELEGRAM NUMBER 655 OF 22 NOVEMBER

INFO IMMEDIATE UKREP BRUSSELS COPENHAGEN PRIORITY OTHER EC POSTS

TELCON HURR/RESIDENT CLERK: MESSAGE TO M MAUROY

1. PLEASE ARRANGE DELIVERY OF FOLLOWING MESSAGE FROM THE PRIME MINISTER TO M MAUROY, BEFORE MR SCHLUETER CALLS ON HIM TOMORROW (23 NOVEMBER):

BEGINS

DEAR PRIME MINISTER,

COMMON FISHERIES POLICY (UNDERLINED)

THE DANISH PRIME MINISTER HAS JUST LEFT ME, AND IS ON HIS WAY TO TALK WITH YOU. DOUBTLESS THE COMMON FISHERIES POLICY WILL BE HIGH ON THE AGENDA FOR HIS DISCUSSIONS WITH YOU, AS IT WAS IN LONDON

MY MINISTER OF FISHERIES WILL GIVE HIS FRENCH OPPOSITE NUMBER A FULL ACCOUNT OF OUR DISCUSSIONS WITH THE DANISH PRIME MINISTER EARLY TOMORROW MORNING. I FORMED THE VIEW THAT THE FIRMNESS WE HAVE SHOWN IN RESISTING DANISH DEMANDS FOR YET MORE CONCESSIONS IS BEGINNING TO HAVE REAL EFFECT ON DANISH GOVERNMENT THINKING. IF WE CAN MAINTAIN A VERY FIRM AND UNITED FRONT FOR JUST A LITTLE LONGER WE SHALL ACHIEVE A BREAKTHROUGH. I DO EARNESTLY HOPE THEREFORE THAT YOU TOO WILL IMPRESS UPON THE DANISH PRIME MINISTER THAT WE ARE AT THE END OF THE NEGOTIATING PROCESS AND THE TIME HAS COME TO SETTLE. MATTERS CAN ONLY GET WORSE FOR DENMARK (AND THE COMMUNITY) IF IT PERSISTS WITH ITS VETO.

THE SLIGHTEST INDICATION THAT ANY ONE OF THE NINE IS PREPARED TO CONTEMPLATE FURTHER NEGOTIATION AND CONCESSIONS WILL ENCOURAGE DENMARK TO CONTINUE IN ISOLATION, AS WELL AS DESTROYING THE

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/ SOLIDARITY

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37615 - 1

SOLIDARITY OF THE NINE WHICH REPRESENTS OUR BEST WEAPON IN REACHING
A SATISFACTORY END OF THIS WORRYING DISPUTE.

YOURS SINCERELY,
MARGARET THATCHER.

ENDS

PYM

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No. 10 DOWNING STREET

LIMITED

EED(I)

EED(E)

PS/PUS

SIR J BULLARD

MR HANNAY

MR EVANS

COPIES TO:-

PS / MINISTER OF AGRICULTURE
MAFF

MR HANCOCK CABINET OFFICE

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file

RT
Fishing Industry

10 DOWNING STREET

From the Private Secretary

22 November, 1982

Dear Stuart,

COMMON FISHERIES POLICY

Following her talks with the Danish Prime Minister tonight, the Prime Minister would like the enclosed message to be delivered to the Prime Minister of France before Monsieur Mauroy sees Mr Schlueter tomorrow. I should be grateful if you could arrange for its urgent despatch.

I am copying this letter to John Holmes, (Foreign and Commonwealth Office), Robert Lawson (Ministry of Agriculture, Fisheries and Food) and David Hancock (Cabinet Office).

Yours ever

John Cole.

The Resident Clerk
Foreign and Commonwealth Office

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RT

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Dear Prime Minister,

COMMON FISHERIES POLICY

The Danish Prime Minister has just left me, and is on his way to talk with you. Doubtless the Common Fisheries Policy will be high on the agenda for his discussions with you, as it was in London.

My Minister of Fisheries will give his French opposite number a full account of our discussions with the Danish Prime Minister early tomorrow morning. I formed the view that the firmness we have shown in resisting Danish demands for yet more concessions is beginning to have real effect on Danish government thinking. If we can maintain a very firm and united front for just a little longer we shall achieve a breakthrough. I do earnestly hope therefore that you too will impress upon the Danish Prime Minister that we are at the end of the negotiating process and the time has come to settle. Matters can only get worse for Denmark (and the Community) if it persists with its veto.

The slightest indication that any one of the Nine is prepared to contemplate further negotiation and concessions will encourage Denmark to continue in isolation, as well as destroying the solidarity of the Nine which represents our best weapon in reaching a satisfactory end of this worrying dispute.

Yours sincerely,

Margaret Thatcher

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fishy ind (JL)

10 DOWNING STREET

From the Private Secretary

17 November 1982

FISHERIES

The Prime Minister has seen Mr. Walker's minute of 15 November and I have informed her of the contents of Mr. Pym's minute of 16 November. Mrs. Thatcher entirely agrees that there can be no possibility of making further concessions to Denmark. She is inclined to agree with Mr. Walker that, when we have decided whether we want a Fisheries Council before the European Council, our Ambassador in Copenhagen should make it clear to the Danes that, if nothing is decided before the Summit, then this will be an occasion when the other member states and the Commission will put pressure on the Danes to stop blocking a Common Fisheries Policy.

The Prime Minister hopes that it will be made clear to the Danish Government before Mr. Schlueter's visit here next week that the issue cannot be side-stepped and that it is bound to play a large part in the Prime Minister's discussions with Mr. Schlueter. It will be for him to decide whether, in the light of that message, he wishes his visit to London to be maintained.

I am copying this letter to Roger Bone (FCO), Muir Russell (Scottish Office) and Richard Hatfield (Cabinet Office).

A. J. COLES

Robert Lawson, Esq.,
Ministry of Agriculture, Fisheries and Food.

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JS

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

Prime Minister

May I suggest that you
await Mr. Lyng's view? This is
not the whole story.

A.J.C. 16/11

CONFIDENTIAL

- I am
winded to
15 November 1982
copy - Th. Walker
reposed
- requested

PRIME MINISTER

Dear Prime Minister

I have just received a copy of telegram No. 373 from Copenhagen reporting the Danish Foreign Minister as having suggested that there should be no further meeting of the Fisheries Council before the European Council, and that then the heads of Government should ask Fisheries Ministers to produce a solution urgently.

Understandably a number of telegrams from Copenhagen have expressed sympathy with the Danish Government and rather implied that in our interest of obtaining their assistance in our budget negotiations there may be need for further concessions to Denmark.

I wish to make it perfectly clear, and I hope our Ambassador will be informed of this, that there is no possibility of any further concessions to Denmark. We will totally lose the support of the British fishing industry if any further concessions are made.

The suggestion of the Danish Foreign Minister would of course let them off the hook and would imply that there was some further solution to be obtained when in reality 9 Member States have found a solution and Denmark alone, in spite of numerous concessions, has decided not to accept it.

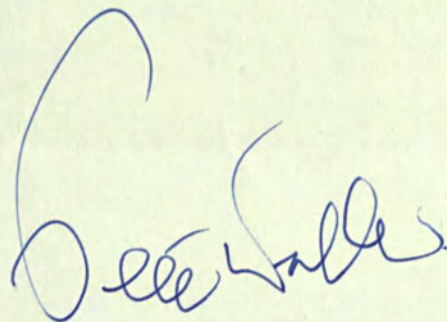
You would be severely criticised domestically if following Copenhagen the implication was that you had adhered to a suggestion that more concessions were needed to produce a solution urgently.

We must therefore decide what tactically is required between the 9 and the Commission to force the Danes to agree on the present compromise solution.

/During this week

During this week we will have to decide whether or not to press for a meeting of the Fisheries Council before the Summit. My own view is that our Ambassador should urgently make it clear to the Danes that if nothing is decided before the Summit, the Summit will not be used to give a clear indication that more needs to be done to obtain Danish agreement. The Summit must be used for 9 countries and the Commission to demand from the Danes that they stop blocking a common fisheries policy that more than adequately recognizes the needs of the Danish Fishing Industry.

I am sending copies of this minute to the Foreign Secretary, the Secretary of State for Scotland and Sir Robert Armstrong.



PETER WALKER



FCS/82/188

MINISTER OF AGRICULTURE, FISHERIES AND FOOD

1. In your letter of 15 November you commented on Copenhagen telegram 373 which raises the question of the handling of fisheries at the European Council.
2. I entirely agree with you that it is essential to avoid an outcome at the European Council which would suggest that the pressure to reach a settlement was on anyone but the Danes. I shall be seeing my Danish colleague in Brussels next week, and the Danish Prime Minister is coming to London on Monday. So there will be no lack of opportunity to get the message across. Our Ambassador will play her part in this, but before sending her in to talk to the Danish Foreign Minister we must decide whether we want a Fisheries Council before the European Council or not.
3. Incidentally, I hope that you do not think that she has expressed undue sympathy for the Danish position. She has put across our case firmly and skilfully and reported very clearly on the position of the Danish government.
4. I am copying this to the Prime Minister, George Younger and Sir R Armstrong.

with PM 16/11

[Handwritten signature]

(FRANCIS PYM)

Foreign and Commonwealth Office

16 November 1982

Fishing Ind. CAP, P45

46

16 NOV 1982





10 DOWNING STREET

From the Private Secretary

15 November, 1982

Dear Robert,

COMMON FISHERIES POLICY NEGOTIATIONS

The Prime Minister has seen the Minister of Agriculture's minute of 12 November.

After careful reflection, Mrs Thatcher has decided not to communicate with Mr Schlueter at this time. As you know, she sent a fairly strong message to him from Paris last week. There has been no reply and the Prime Minister doubts whether a further message will have the necessary impact. She prefers to await Mr Schlueter's visit to London next week.

The Prime Minister has asked me to convey to Mr Walker her thanks for his letter and her congratulations for the way he has conducted negotiations on this matter.

I am copying this letter to Roger Bone (Foreign and Commonwealth Office), Muir Russell (Scottish Office), Richard Hatfield (Cabinet Office) and John Kerr (H.M. Treasury).

*Yours ever
R. Lawson.*

R. Lawson, Esq.,
Ministry of Agriculture, Fisheries
and Food

30

GRS 175

CONFIDENTIAL

DISTRIBUTION SELECTION
FILE COPY

CONFIDENTIAL [FRAME FISHERIES]
FM COPENHAGEN 150900Z NOV 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 373 OF 15 NOVEMBER
INFO IMMEDIATE UKREP BRUSSELS
INFO SAVING OTHER EC POSTS

Ps / No to Saving St
(request of
Private
Office)

MY TELNO 370: CFP: DANISH VIEWS

1. AT HEAD OF CHANCERY'S FAREWELL RECEPTION ON FRIDAY, DANISH FOREIGN MINISTER TOLD ME AGAIN HOW ANXIOUS THE GOVERNMENT ARE TO REACH AGREEMENT. I ASKED WHETHER HE HAD ANY SUGGESTIONS AND HE OFFERED ONE ON TACTICS. MR ELLEMANN-JENSEN THOUGHT THERE SHOULD BE NO (REPEAT NO) FURTHER MEETING OF THE FISHERIES COUNCIL BEFORE THE EUROPEAN COUNCIL. HEADS OF GOVERNMENT SHOULD ASK FISHERIES MINISTERS TO PRODUCE A SOLUTION URGENTLY.

2. CHAIRMAN OF MARKET COMMITTEE, AT SAME OCCASION, ADOPTED AN UNUSUALLY SHARP TONE IN TALKING ABOUT UK POSITION ON CFP, ALTHOUGH HE LISTENED TO MY REHEARSAL OF OUR OWN PROBLEMS AND ARGUMENTS FOR FLEXIBILITY.

3. AS I UNDERSTAND A CONTRARY RUMOUR HAS CIRCULATED, IT MAY BE OF INTEREST THAT HE VOLUNTEERED THAT WHEN THE MARKET COMMITTEE FINALLY MET EARLY ON TUESDAY, THE PRIME MINISTER REPRESENTED THE GOVERNMENT AND (NO DOUBT BECAUSE OF THE PARLIAMENTARY ARITHMETIC) AT ONCE RECOMMENDED AGAINST ACCEPTING THE COMPROMISE PACKAGE, WHICH WAS CONSEQUENTLY BARELY DISCUSSED BEFORE THE COMMITTEE ENDORSED THE GOVERNMENT'S STAND.

FCO PLEASE PASS SAVING.

WARBURTON

FRAME FISHERIES
ECD (1)

[PASSED AS REQUESTED]

CONFIDENTIAL



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

*Cyril Wells
No more beer
told me from Paris
info to will tell to me*

PRIME MINISTER

12 November 1982

COMMON FISHERIES POLICY NEGOTIATIONS

Over the last two days I have been in frequent discussions with the Commission to agree tactics that would persuade Denmark to support an agreement on the Common Fisheries Policy.

The best information I have is that the Danish Prime Minister and Deputy Prime Minister are both in favour of approving the agreement. The fisheries Minister, who is a new political figure, and new to Ministerial office, is against.

Thorn intends to send a message today to the Danish Prime Minister, substantially drafted on advice that I have given. It will indicate the considerable changes in the proposals now on the table that have been made to assist Denmark. It will point out the impossibility of any further concessions being made by the other 9 Member States. It will urge the Danish Government to speedily accept the package, once it has obtained the confirmation of one or two financial arrangements in favour of Denmark, such as the provision of a penetration premium for mackerel, some money for exploratory voyages and an agreement on investment in restructuring.

As we discussed earlier today, I would be grateful if you could consider the advantages of making a personal telephone call to the Danish Prime Minister, speaking to him as a fellow Conservative Prime Minister, whose Government has shown considerable understanding of his problems. I think that you should point out to him, in a friendly way, the certainty that your meeting with him in London on 22 November will be dominated by this issue if no agreement is reached before then; the only topic that the media would be interested in would be whether or not he is persuaded to accept a fisheries agreement, while the whole of the British fishing industry would be looking to your meeting to bring about that result. Likewise, the Danish fishing industry and media would be looking to him to resist a package which you were urging

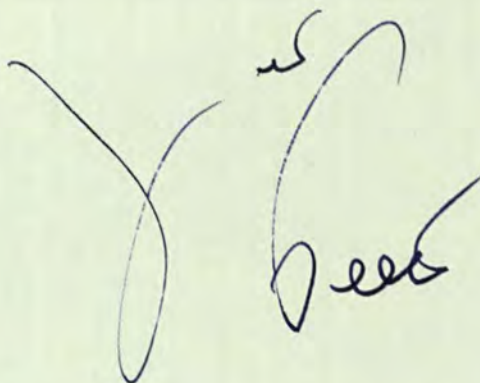
/him to

him to accept. In the event of continuing failure to agree there could be no doubt, and Mr Schlueter should be left in no doubt, that the German Chancellor, the French President and the Dutch and British Prime Ministers would all have to be seen at Copenhagen to be exerting the maximum pressure to bring about Danish acceptance of the agreement that the other 9 Member States have already accepted. It must therefore be worth saying that Mr Schlueter would obtain the maximum benefit by giving his agreement next week, before he arrives in London, and in the light of all the concessions that his Government have obtained and that his predecessors failed to obtain.

--- I attach a list of the improvements, from the Danish point of view, which have been made to the Commission's proposals. You will see at a glance that they are very substantial. I think if you decide to speak to Mr Schlueter it would be helpful to point out that the UK Government objected to none of the changes in quotas, although on quite a few of them we had a claim to a better share; that we have suffered immense criticism from the Shetland Islanders by accepting the idea of reducing the size of the North Scotland box in such a way as to eliminate the controls involved in an area where the majority of Danish boats fish; and that my Ministry has put in a great deal of work in order to see that landings of mackerel for processing in Danish factories have so far been more than doubled this year compared with 1981. We can therefore claim to have been very helpful to them. We can also warn that there is nothing further we can do and that if there is no agreement, hostility is bound to build up in the minds of the British public which could seriously endanger the very substantial Danish exports to Britain of bacon and butter.

I think that all of this, exchanged in the tone of a fellow Conservative politician, could make Mr Schlueter recognise that to settle, following the receipt of the Commission's letter this weekend, in the early part of next week, would guarantee a successful and good meeting in London and a Summit in Copenhagen which will be of benefit to his Government's political fortunes.

I am sending copies of this minute to the Secretary of State for Scotland, the Foreign and Commonwealth Secretary, and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read 'Peter Walker'. The signature is fluid and cursive, with a large loop at the end of the last name.

PETER WALKER

CONCESSIONS MADE TO DENMARK SINCE THE PROPOSALS OF THE 21st JUNE,
ACCEPTED BY 9 OTHER MEMBER COUNTRIES

Quotas

(Column A - Danish allocation in tonnes
Column B - Danish percentage of EC availability)

	<u>Original Proposal</u>		<u>Present Position</u>	
	A	B	A	B
Baltic Cod	82,000	72.8	90,000	78.3
North Sea Cod	44,140	19.8	50,000 (excludes 2000 tonnes for 1982)	20.5
West Greenland Cod			TAC Reduced and not allocated to meet Danish (Greenland) requirement	
N. Sea Haddock	7,000	5.1	11,500	7.7
N. Sea Saithe	4,000	6.1	5,940	8.7
N. Sea Plaice	20,000	15.4	26,000	20
N. Sea Herring	3,000	5.2	5,000	7.4
N. Sea Whiting	7,130	8.1	17,300	13.2

We agreed, with considerable difficulty, that the Danes, who have fished western mackerel and have caught 20,000 tonnes already this season, may continue fishing this stock until 31 March and may catch a further 7,000 tonnes under licence. (Clearly this would have to be the end of their fishing a stock to which they have no historic entitlement at all.)

The Germans have offered them 1,500 tonnes of North Sea haddock as a permanent addition to their quota as a further inducement for them to settle. In addition to this German offer, there was a possibility of a further 2,000 tonnes of cod for 1982, coming from Norway.

Access

There was one square remaining in the North of Scotland box in which a very substantial proportion of Danish fishing for industrial purposes took place. The Danes requested that this square should be removed from the box and we made that sacrifice in order to obtain Danish agreement. This has been strongly criticised by the Shetland Islanders and was a major concession by the UK to assist the Danes.

Supplies of Mackerel

The bulk of our mackerel was sold at good market prices to Eastern bloc factory vessels and the Danes complained that their manufacturing industry was not able to obtain the supplies they required. After lengthy talks at official level in Copenhagen and London we changed the quota management arrangements for our industry and the result has been that by the 8 November landings in Denmark of mackerel had been 17,000 tonnes compared with 8,000 tonnes in the same period of 1981. This was a considerable effort on our part. We have been willing to support the provision of a penetration premium for mackerel which will mean that the imports of mackerel from other Community countries such as Britain would receive a subsidy in Denmark financed by the Community. In practice of course this would be financed by Germany and Britain as contributors to the budget.

Trilateral Agreement

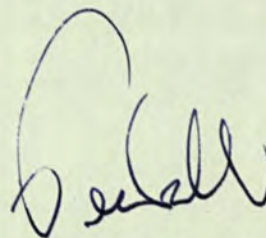
We agreed to drop the trilateral agreement between the Community, Norway and Sweden. This was a serious disadvantage to other Member States, reducing the potential stocks of herring available to them, but it was something the Danes required.

Financial Arrangements

We have agreed financial provisions for the restructuring of Danish vessels and for exploratory voyages to distant waters which gives a further financial inducement to Denmark.

Conclusion

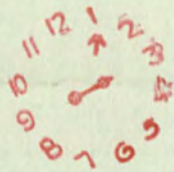
On any historic measure of quotas, access and all of the main ingredients of a fishing package, there is no doubt that this is a good package for Denmark. With such improvements as have been offered it must be wrong for them to block an agreement accepted by 9 Member States many of whom, such as ourselves, have had great difficulty in doing so.



Ministry of Agriculture,
Fisheries and Food

12 November 1982

12 NOV 1982



CONFIDENTIAL

FISHING IND -

Wm 10/11



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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
London
SW1

9 November 1982

Dear Willie

COUNCIL OF FISHERIES MINISTERS: 8 NOVEMBER 1982

I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely
Robert Lawson

ROBERT LAWSON
Private Secretary

COUNCIL OF MINISTERS (FISHERIES): 8 NOVEMBER 1982

DRAFT PARLIAMENTARY STATEMENT

With permission, Mr Speaker, I would like to make a statement on the meeting of the Council of Fisheries Ministers held in Brussels on 8 November. I represented the United Kingdom, accompanied by my Rt Hon friends the Secretary of State for Scotland and the Minister of State.

The Danish Minister told the Council that his Government were unable to accept the package of measures which had been proposed by the Commission and agreed by 9 Member States at the Council on 25/26 October, and specifically informed the Council that they required licences in the North of Scotland box, quotas of west coast mackerel and improvements in their quotas of cod, haddock and saithe in the North Sea. The United Kingdom and 8 other Member States informed the Danish Minister that there would be no way in which they would agree to change the agreement of 25/26 October. The Commission suggested talks with the Danish Minister on any matters outside the agreement that could enable the Danish Minister to approve the package. At the conclusion of many hours of talks the Danish Minister informed the Council that no suggestions had been made that would enable the Danish Government to give its agreement. The Commission and all the 9 other Member States expressed their strong disappointment and disapproval at the Danish Government's attitude. Following these expressions of disapproval, the Danish Deputy Prime Minister, who presided at the Council, proposed a suspension to enable the Danish Government to consider their position further. The Danish Minister then informed the Council that his Government would consider approval of the package at a meeting tomorrow, 10 November, and would then tell the Commission

/whether or

whether or not they could approve the package agreed by the other
9 Member States.

I hope that the Danish Government will approve the package. But if they
do not, the Council agreed to resume discussions before the end of the
month in order to consider what national measures would be necessary
to conserve Community fishing stocks and to allocate them fairly between
Member States.

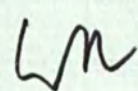
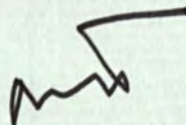
PRIME MINISTER

FISHERIES STATEMENT

After Mr. Fowler's statement on the NHS dispute, Mr. Walker reported on the Fisheries Council. He said that the Danes would be considering the fisheries package tomorrow. If they could not agree the package, the Fisheries Council would discuss the matter again before the end of the month, and would consider the imposition of national measures. He was confident that these national measures would be imposed with the agreement of the Commission, and would be enforced everywhere except Danish territorial waters. There would be no "fishing up to the beaches". Enforcement would be a matter for each Member State individually.

The Opposition went through the usual ritual condemning the package as a sell-out that had not been agreed by the industry. But their opposition was half-hearted.

A number of Members, on both sides of the House, asked Mr. Walker to press you to raise the matter at the Copenhagen Summit in December if the Danes failed to agree the fisheries package tomorrow. Mr. Walker said that he would convey this message to you.



9 November 1982

SUBJECT

ROYAL DANISH EMBASSY
PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 7 209/82

Prime Minister:

You may already
Copenhagen, 4 November 1982.
be aware of this

DS
5/4

Dear Prime Minister,

Thank you for your letter of 28 October. I agree with you that at the last meeting of the Council of Ministers for Fisheries in Luxembourg 25 - 26 October a serious effort was made to reach agreement on the main elements of the Common Fisheries Policy.

An outline of suggested solutions was finally tabled by the Commission. Although very considerable efforts had been made by the Danish Minister for Fisheries, Mr. Grove, to limit our demands to an absolute minimum, the outline, however, did not meet the minimum requirements which would have made it possible for Mr. Grove to accept it.

In view of the grave problems which can arise for the Community if a solution is not brought about in the coming days, I have considered it appropriate to inform Mr. Thorn already now that my Government cannot recommend to the relevant Parliamentary Committee that the compromise outline be accepted. In fact, the parliamentary situation is such that any attempt to obtain the approval in Parliament needed by the minority government of the present package would be certain to fail.

An agreement in the Council will be possible only if certain amendments in favour of Denmark are made.

As we have recently exchanged views regarding the negotiations of a Common Fisheries Policy, I have found it right to inform you about this situation.

I am still concerned that negotiations be brought to a successful conclusion. This would mean an important step forward for our Community.

Considering how much has already been accomplished and prepared in the field of Fisheries, very little seems to separate us from establishing a genuine Common Fisheries Policy. I entirely share your view regarding the grim alternative to a settlement. My Government has endeavoured to facilitate a solution to the Community's Fishery problems. I very much hope that Member Countries, in a last effort, will be able to agree to the adjustment necessary in order to ensure the adoption of a Common Fisheries Policy.

Yours sincerely,

The Rt. Hon.
Margaret Thatcher, MP
Prime Minister
London S W 1.

Poul Schlüter.

T 209/82



Copenhagen, 4. November 1982

Dear Prime Minister,

Thank you for your letter of 28. October. I agree with you that at the last meeting of the Council of Ministers for Fisheries in Luxembourg 25. - 26. October a serious effort was made to reach agreement on the main elements of the Common Fisheries Policy.

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Considering how much has already been accomplished and prepared in the field of fisheries, very little seems to separate us from establishing a genuine Common Fisheries Policy. I entirely share your view regarding the grim alternative to a settlement. My Government has endeavoured to facilitate a solution to the Community's fishery problems. I very much hope that member countries, in a last effort, will be able to agree to the adjustments necessary in order to ensure the adoption of a Common Fisheries Policy.

Yours sincerely
Paul Scully

Rt. Hon. Margaret Thatcher
Prime Minister
10, Downing Street
London S.W. 1
United Kingdom of Great Britain

1982 NOV 28

1982 NOV 28

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RECEIVED
NOV 28 1982

Faint, illegible text, likely bleed-through from the reverse side of the page.

file

OSG
Fishing Incl.

3 November 1982

FISHERIES

I asked you on the telephone yesterday if you would kindly take action to retrieve the letter which the Prime Minister signed to Mr. Jørgensen on this subject. I now enclose a letter addressed to Mr. Schlüter, and would be grateful if you could arrange for its delivery.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

SUBJECT

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Om



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BM

10 DOWNING STREET

THE PRIME MINISTER

3 November 1982

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T200A/82

Dear Prime Minister,

Thank you for your letter of 21 October. I am delighted that confrontation was avoided at the Fisheries Council earlier this week. The path of negotiation and compromise was taken, as you and I both earnestly wished. Peter Walker tells me that much credit is due to Mr. Henning Christophersen, whose conduct of the meeting was in the very best traditions of a Community Presidency.

Compromise proposals were made on two of the three issues you particularly mentioned.

I am sorry that this was insufficient to enable your delegation to agree the final Commission proposals then and there, and all our colleagues in the Community hope that your Government and Parliament will accept the final settlement when it is explained to them.

It is very clear that the negotiation is now ended, and that there is no prospect of further adaptation of the proposals.

The alternative is agonisingly clear. If Denmark cannot signal her agreement all prospect of successful negotiation of a Common Fisheries Policy will disappear, perhaps for some considerable time.

/ Our industries

88

Our industries will be plunged into a further period of uncertainty. The problems of the last few years have left them in a desperately weakened state, and painful and potentially divisive measures will have to be taken on a national basis to protect them and the stocks they fish. Such a position will certainly be far worse than the much improved proposals that are now on offer for Denmark. If Denmark can agree, there will be every hope and expectation that a well regulated regime will form the basis for rebuilding the stocks and our fishing industries. It will be a triumph for Europe, and a great triumph for the Danish Presidency.

I am well aware of some at least of the tremendous political pressures upon you. If you can overcome them, you will earn the gratitude and admiration of myself and all those who wish to see Europe succeed, and European fishing industries flourish.

Yours sincerely

Margaret Thatcher

His Excellency Mr. Poul Schlüter



10 DOWNING STREET

Prime Minister

I am afraid that you signed
a letter to the previous Daniel
Prime Minister. It should
have been to Mr. Schlüter.

" Dear Prime Minister "

A. S. C. $\frac{2}{11}$

1. Thought we
had to provide
copies to
me

FCO

PS
PS/MR HURD
PS/PUS
SIR J BULLARD
~~LORD BRIDGES~~
MR HANNAY
PS/LORD SELSTED

EVANS

MR WOODRISON

RESIDENT CLERK

HD/ECG(I) (3)
HD/NEWS D
HD/WED
HD/ECG(E)
HD

PLUS FCO

Anderson
MR DARWIN,
LEGAL ADV.

CABINET OFFICE

MR D HANCOCK
MR STAPLETON
MR DURIE
MR J RHODES

M. M. R. Keay

D O T (Victoria St)

H M TREASURY

SIR K COUZENS.
MISS J COURT

MAFF

PS/*NEWALKER*
PS/MINISTER
SIR B HAYES
PS/MR BUCHANAN-SMITH

MR MASON
MR ~~KELSEY~~
MR PACKER
MRS BLACKWELL
MR NASON
MR BELCHAMBER
MR HENSHAW

M. P. Cooley

Fisheries Division,
Great Westminster House

PLUS O G D's

MR BONE, N I O GOGGS

MR MERRISON DANI

MR G JONES WOAD

PS/S of S
MR McGEHEE
MR CORMACK
MR FINDLAY

} D A F S
c/o Scottish Office

No 10 DOWNING STREET

GRS 350A

CONFIDENTIAL

FRAME FISHERIES

FM COPENHAGEN 28/1715Z OCTOBER

TO IMMEDIATE FCO

TELEGRAM NUMBER 349 OF 28 OCTOBER

INFO IMMEDIATE UKREP BRUSSELS AND SAVING OTHER EC POSTS

YOUR TELNO 138: CFP

IMMEDIATE

ADVANCE COPY

1. WE DELIVERED THE PRIME MINISTER'S MESSAGE TO MR SCHLUETER'S OFFICE THIS AFTERNOON. IT GAVE US THE OPPORTUNITY TO OBTAIN AN UP-TO-DATE BRIEFING ON THE URGENT DELIBERATIONS NOW IN PROGRESS IN THE DANISH GOVERNMENT.

2. IT IS CLEAR THAT THIS MINORITY GOVERNMENT IS IN A REAL FIX. THEY ARE MOST ANXIOUS TO SETTLE AND TO GET THE PROBLEM OUT OF THE WAY FOR ALL THE REASONS GIVEN IN MRS THATCHER'S LETTER. BUT THE PLAIN FACT IS THAT THEY CANNOT GET THE PRESENT PACKAGE PAST THE FOLKETING. THE PROGRESS PARTY TO THEIR RIGHT (A NUMBER OF WHOSE SUPPORTERS WILL BE DIRECTLY

TO THEIR RIGHT (A NUMBER OF WHOSE SUPPORTERS WILL BE DIRECTLY
AFFECTED) WILL VOTE AGAINST, AS WILL THE TWO FAR LEFT PARTIES.
THE GOVERNMENT'S ONLY HOPE OF GETTING THROUGH DEPENDS ON THEIR
BEING ABLE TO PERSUADE THE SOCIAL DEMOCRATS TO ABSTAIN, DESPITE
THE VERY HOSTILE LINE BEING TAKEN PUBLICLY BY THE ANTI-MARKETEER
MR HJORTNAES (MY TELNO 348). WE WERE TOLD IN STRICT CONFIDENCE
THAT THERE HAVE ALREADY BEEN PRIVATE CONTACTS BETWEEN MR
SCHLUETER AND MR ANKER JOERGENSEN TO THIS END. THESE ARE SO
FAR INCONCLUSIVE, BUT SOME FURTHER CONCESSIONS FROM THE NINE,
HOWEVER COSMETIC, WILL BE REQUIRED IF THE GOVERNMENT IS TO
HAVE ANY CHANCE OF INFLUENCING THE SOCIAL DEMOCRATIC LEADERSHIP
AS A WHOLE.

3. TOMORROW'S MEETING OF THE FOLKETING MARKET COMMITTEE WILL
CLOSE NO DOORS. THE GOVERNMENT WILL GIVE AN ACCOUNT OF THE COUNCIL
PROCEEDINGS AND OPPONENTS OF THE PROPOSED SETTLEMENT ARE
EXPECTED TO SOUND OFF, BUT NO CONCLUSIONS WILL BE REACHED.
THEREAFTER IT IS LIKELY THAT EARLY NEXT WEEK CONTACT WILL BE MADE
WITH OTHER EC GOVERNMENTS TO EXPLAIN THE DANISH DIFFICULTIES
AND TO SEE WHETHER ANY FURTHER CONCESSIONS CAN BE WON. WE *No.*
EMPHASISED THAT AS MRS THATCHER'S MESSAGE MADE ABSOLUTELY CLEAR,
THIS WAS A FORLORN HOPE.

FCO PLEASE PASS SAVING OTHER EC POSTS

WARBURTON

NNNN

ENT AT 28/1740Z MGD

U GET THAT K



File 1/6
a fro
SO

10 DOWNING STREET

From the Private Secretary

28 October 1982

COMMON FISHERIES POLICY

The Prime Minister has seen your Secretary of State's minute of 27 October and the proposed letter from Mrs. Thatcher to the Danish Prime Minister on the above subject.

The Prime Minister agrees that this message should be sent immediately. I should accordingly be grateful if Roger Bone would telegraph the text to Copenhagen for urgent delivery. A signed version of the letter will follow in due course.

I am sending a copy of this letter to Roger Bone (FCO) and Muir Russell (Scottish Office).

A. J. COLES

Robert Lowson, Esq.,
Ministry of Agriculture, Fisheries
and Food.

*Original filed on: -**Euro 89 : Budget: 1818*

Ref. A09902

PRIME MINISTER

Cabinet: Community Affairs

The Foreign and Commonwealth Secretary will wish to report on the outcome of the Foreign Affairs Council on 25/26 October. This finally reached agreement, subject to a French reserve for three days, on the implementation of the 25 May Agreement on the United Kingdom's 1982 budget refunds. Under the settlement the United Kingdom will receive one billion ecus gross before the end of 1982, three to six months earlier than originally agreed, and any payments under the risk sharing formula in 1983 rather than 1984; the net effect after our contribution to the German refund will be that the United Kingdom will receive the 850 mecus net originally agreed. The Council also agreed that the Danish Presidency should make a démarche to the Argentine on the reciprocal lifting of trade sanctions.

2. The Minister of Agriculture, Fisheries and Food will wish to report the outcome of the Fisheries Council on 25/26 October. Nine member states reached agreement on a Common Fisheries Policy package based on final compromise proposals tabled by the Commission. The Danes would not accept unless they were given a quota of 20,000 tonnes of western mackerel and seven licences in the Shetland box. They are considering their position over the next 10 days in the hope that they will be able to agree. If there is continued Danish opposition the Council will consider alternatives including national measures at its next session on 8 November.

3. The Secretary of State for Industry, in addition to noting the conclusion of the EC/United States agreement on steel imports on 21 October, may wish to report on his discussions in Brussels the same day with Commissioner Davignon on the need for a significant tightening of the voluntary restraint arrangements governing steel imports from non-Community countries, which come up for renewal at the end of the year, better policing within the Community of the mandatory production quotas and rules about pricing, and the

importance of other EC steel industries matching the restructuring which has already taken place in the United Kingdom. The Minister for Trade spoke similarly at the Foreign Affairs Council.

4. There were also meetings of Justice Ministers on 25 October and of the Standing Employment Committee on 26 October, but neither produced results of interest to the Cabinet.

5. Immediately after Cabinet E Committee will be considering papers on trade policy by the Secretary of State for Trade, the Foreign and Commonwealth Secretary and the CPRS, about the need to defend British industry in the face of protectionist trade policies against our exports. You will be meeting Chancellor Kohl at the Anglo-German Summit meeting on 28/29 October, and President Mitterrand at the Anglo-French Summit meeting on 4/5 November. The Research Council meets on 4 November.

ROBERT ARMSTRONG

27 October 1982

Fishing Ind. Pol.
Fishing

Top Copy on Energy,
BNOC, P45

PRIME MINISTER

Statements: 27 October 1982

There were three statements this afternoon: Mr. Pym on the Foreign Affairs Council, Mr. Walker on the Fisheries Council and Mr. Lawson on Britoil.

The Foreign Affairs Council

The House was in a somewhat end-of-term mood.

It was pretty clear that the Opposition, led by Eric Heffer, had not grasped all the details of the agreement reached in the Foreign Affairs Council. They pointed out that the Council had not reached an agreement covering the long term, and sought to paint this as a failure. Mr. Pym pointed out in turn that arrangements for the long term had not been on the agenda of the Council, and would be discussed in November. The Opposition, aided by Nicholas Winterton, then turned to an attack on the Multi-Fibre Arrangement. From there, they moved on to call for firm action against unfair trade in the GATT Ministerial meeting, and some Opposition Members also called for mandatory Community measures on steel. This led Mr. Pym to say that a slide into protectionism would only make the recession worse. He hoped that the GATT Ministerial meeting would help to maintain the open trading system. Teddy Taylor asked whether the Government would consider withholding its contributions if the Community failed to reach agreement on the budget in 1983, to which Mr. Pym gave a non-committal answer. Tony Marlow ended up the questioning by saying that our trade deficit with the Community was a scandal, to which Mr. Pym replied that the recent trade figures had been very satisfactory overall.

The Fisheries Council

The questions on this statement followed a very familiar line. The Opposition, led by Norman Buchan, said that the agreement reached in Luxembourg was a retreat from the Conservative Manifesto, that the industry had only accepted the agreement under duress, that the £15 million aid announced by Mr. Walker was:

a bribe to induce the industry to accept the agreement, and that the Government should have allowed time for the proposals to be debated in the House before they signified agreement in Luxembourg. Mr. Walker replied that he had ^{offered} ~~told~~ the industry ~~he had been offered~~ the £15 million aid some time before the Council, that the leaders of the industry had all been in Luxembourg and had readily accepted the agreement, which was better than anything achieved by the Opposition while in office.

Britoil

Merlyn Rees asked a long list of questions, but his most important points were that the Government were selling Britoil at the wrong time, that they were giving Britoil a cash injection to improve their balance sheet, but that they were making no arrangements to protect Britoil acquisition by foreign investors, and that the PAC should be allowed to investigate the Government's proposals. Mr. Lawson had no difficulty in dealing with any of these points. He pointed out that the FT Actuaries' oil share index had risen considerably in the last year, that he had made no agreement to inject cash into Britoil, that he would welcome an investigation by the PAC, and that only the market could determine the value of the Company. He made play with the fact that the Opposition had sold shares in BP in 1977 with no prior consultation of Parliament, and that this sale was a financially unwise move from the point of the Exchequer. The Government would be retaining a special share in Britoil in order to ensure that it did not fall under foreign control. The only excitement was caused by Mr. Lawson's refusal to answer a suggestion from the Opposition that Ministers should not be allowed to buy shares in Britoil so as to avoid any suspicion of insider dealing. At first Mr. Lawson simply refused, with some encouragement from the Lord President, to rise to answer this question. When it was repeated by Mr. Cryer, he dismissed it as beneath contempt. The Opposition became somewhat excited and accused Mr. Lawson of arrogance, and repeated this when he dismissed another question from Frank Haynes as "far fetched."

Stephen Seag PP Willie Rickett.

27 October 1982

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON S.W.1



From the Minister

Prime Minister

Mr. Waller is most anxious that this message should be despatched before you go to bed. but it arrived only this evening and I think we must give the Foreign Secretary a chance to comment.

PRIME MINISTER

27 October 1982

Agree, subject to Mr. Pym's views?

A.J.C. 27/10

-- I am very anxious that every pressure is now put on Denmark to accept the fishing agreement. You have not replied to the letter from the Danish Prime Minister and I enclose a draft which you might consider sending immediately to him.

I am sending copies of this letter to the Foreign Secretary, the Secretary of State for Scotland and Sir Robert Armstrong.

I am quite
to sign the letter
not
revised
R. L. L. L.

for PETER WALKER
Dictated by Mr Walker
and signed in his absence



DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO THE DANISH PRIME MINISTER

FISHERIES COUNCIL: 25/26 OCTOBER

Thank you for your letter of 22~~nd~~ October. I am delighted that, confrontation was avoided at the Fisheries Council earlier this week. The path of negotiation and compromise was taken, as you and I both earnestly wished. ^{Peter Walløe} ~~My Minister of Agriculture~~ tells me that much credit is due to Mr Henning Christophersen, whose conduct of the meeting was in the very best traditions of a Community Presidency.

Compromise proposals were made on two of the three issues you particularly mentioned.

I am sorry that this was insufficient to enable your delegation to agree the final Commission proposals then and there, and all our ^{Community} colleagues in the / hope that your Government and Parliament will accept the final settlement when it is explained to them.

It is very clear that the negotiation is now ended, and that there is no prospect of further adaptation of the proposals.

The alternative is agonisingly clear. If Denmark cannot signal her agreement all prospect of successful negotiation of a Common Fisheries Policy will disappear, perhaps for some considerable time. Our industries will be plunged into a further period of uncertainty. The problems of the last few years have left them in a desperately weakened state, and painful and potentially divisive measures will have to be taken on a national basis to protect them and the stocks



they fish. Such a position will certainly be far worse than the much improved proposals that are now on offer for Denmark. If Denmark can agree, there will be every hope and expectation that a well regulated regime will form the basis for rebuilding the stocks and our fishing industries. It will be a triumph for Europe, and a great triumph for the Danish Presidency.

I am well aware of some at least of the tremendous political pressures upon you. If you can overcome them, you will earn the gratitude and admiration of myself and all those who wish to see Europe succeed, and European fishing industries flourish.



27 OCT 1982

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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
London SW1

27 October 1982

Des Walker

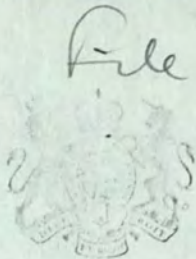
COUNCIL OF FISHERIES MINISTERS: 25-26 OCTOBER 1982

... I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely
Robert Lawson

ROBERT LOWSON
Private Secretary



fisheries unit
JSL

T
no

10 DOWNING STREET

From the Private Secretary

22 October 1982

FISHERIES COUNCIL: 25/26 OCTOBER

As I told your Office on the telephone this afternoon, the Prime Minister has just received the enclosed message from the Prime Minister of Denmark about the position which Denmark will adopt at the meeting in Brussels on 25/26 October.

JSL

The Prime Minister will wish to reply in due course. I should be grateful to receive advice as to whether she should reply before or after the meeting, and the terms in which she should reply.

I am sending copies of this letter to Roger Bone (Foreign and Commonwealth Office), Muir Russell (Scottish Office) and Richard Hatfield (Cabinet Office).

J. COLES

Robert Lowson, Esq.,
Ministry of Agriculture, Fisheries and Food,



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T199/82

Prime Minister has
replied.

10/21/82

Copenhagen, October 21, 1982

Dear Prime Minister,

Yesterday, the Minister for Foreign Affairs, Mr. Uffe Ellemann-Jensen, received ambassadors from other member states, who presented a note underlining the necessity of reaching full agreement with regard to the common fisheries policy before the end of the year and urged that final negotiations should not start. Your Ambassador, in particular, expressed the hope that a settlement could be reached at the meeting of Ministers for Fisheries in Luxembourg on Monday and Tuesday next week.

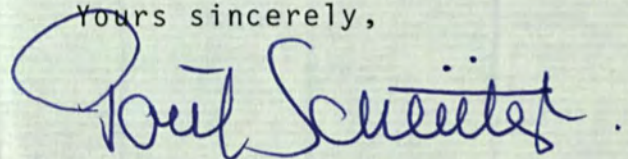
I wish to assure you that my government is as anxious as any other member government to bring to an end negotiations which have now been drawing out for a number of years. I consider it highly desirable to reach an agreement at next week's council meeting. The fishery matter which is of great importance to a number of member states and in particular to our two countries, should not be permitted to spoil the climate of co-operation within the Community and prevent a solution of other urgent problems.

At the latest meeting between Ministers of Fisheries in Brussels, the Danish Minister, Mr. Grove, accepted the Commission's proposals as a basis for final negotiations. However, since also vital Danish interests are at stake, such final negotiations could not consist in the mere acceptance of the Commission's proposals, as they stand at present. Some movement on the side of our partners in the Community is needed, in particular regarding Danish mackerel fishing, and regarding Danish access to the Shetland/Orkney Islands' waters as well as with regard to the cod catches in the North Sea.

There is a strong tradition between our two countries for solving problems arising between us by way of negotiation and compromise rather than confrontation. I personally hope that especially our two governments, who are so close to each other in general political thinking, will find it possible to apply this tradition to its fullest value. I therefore hope, that your country will be able to show, in the days to come, the flexibility needed to arrive at a compromise, which could serve the interests of our citizens and of the Community. We are prepared to do the same.

In view of the importance of the matter, the Deputy Prime Minister, Finance Minister Henning Christophersen, will chair the Council-meeting on the 25-26, while the Minister of Fisheries, Mr. Henning Grove, will be representing Denmark.

Yours sincerely,

A handwritten signature in blue ink, reading "Poul Scheele". The signature is written in a cursive style with a large initial "P".

Prime Minister
The Rt. Hon. Margaret Thatcher, M.P.
L o n d o n

FISHING MD. : FISHERY LIMITS. PTS.

[Faint handwritten signature]

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CONFIDENTIAL

RM



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Fishing Ind

10 DOWNING STREET

From the Private Secretary

21 October, 1982

Dear Robert,

AID FOR THE FISHING INDUSTRY

The Prime Minister has seen the correspondence ending with the Chief Secretary's minute of 20 October. She agrees that £15 million of aid should be made available to the fishing industry in 1982/83 by way of operating subsidy, subject to the points made in paragraph 4 of the Chief Secretary's minute of 20 October.

I am copying this letter to Roger Bone (FCO), John Gieve (Chief Secretary's Office), Jim Nursaw (Attorney General's Office), Muir Russell (Scottish Office), Adam Peat (Welsh Office), Mike Hopkins (Northern Ireland Office), Christine Duncan (Lord Advocate's Office) and Richard Hatfield (Cabinet Office).

Yours ever

John Gieve

R Lowson, Esq.,
Ministry of Agriculture, Fisheries and Food

CONFIDENTIAL

RM



Prime Minister

Agree that the aid should be made available, subject to the conditions laid down by the Chief Secretary?

PRIME MINISTER

A.J.C. 29/10.

Yes

AID FOR THE FISHING INDUSTRY

I have carefully considered a report by my officials following on the discussion they had with MAFF officials on Tuesday 19 October.

2. In all the circumstances I accept that £15 million of aid should be made available to the industry in 1982-83 by way of operating subsidy.

3. I underline the point mentioned by the Secretary of State for Scotland and the Minister of Agriculture Fisheries and Food, that the Commission have launched a legal challenge to the two previous schemes under Article 93(2) of the Treaty of Rome. I consider that the initial announcement to Parliament should make this clear. I am content with the form of words that Treasury and MAFF officials have drafted to cover this point.

4. My agreement to the proposed aid is also subject to the following points:

(a) there is no question of further temporary assistance being made available to the fishing industry during the course of 1982-83. If the discussions at the Fisheries Council are wholly successful the proposed assistance would cover the position envisaged in July. If negotiations are unsuccessful, payments will be made over a number of months and certainly while that is being done no further assistance should be provided.

CONFIDENTIAL

(b) If agreement to a CFP is long delayed it must be understood that there is no necessary implication that further assistance be made available to the industry in 1983-84.

(c) Officials should consult as soon as possible on the implications of either partial or full CFP agreement regarding the future size and composition of the UK fishing fleet.

5. Copies of this minute go to the Foreign Secretary, the Attorney General, the Secretaries of State for Scotland, Wales and Northern Ireland, the Minister of Agriculture Fisheries and Food, the Lord Advocate and Sir Robert Armstrong.

L.B.

LEON BRITTAN
20 October 1982

Fishing Tnd : Fishery Limits Policy Pt-5

2 OCT 1982



COMMERCIAL
LONDON



Prime Minister

MP

Prime Minister

We shall await the Chief Secretary's views but should get them in the next 48 hours.

A.J.C. 19/10.

AID FOR THE FISHING INDUSTRY

I am writing to add my support to the letters of 14 October from Peter Walker and George Younger and to that of 18 October from Nick Edwards.

2. The Northern Ireland fleet, in common with its GB counterparts, is faced with serious economic difficulties and I am sure that our prime objective must be to meet the immediate economic need to keep the fleet intact and ready to meet the challenge of 1983.

3. Although I much prefer a system of subsidy based on 'days at sea', which would have the effect of precluding a number of boats which in past months have been kept fishing solely to qualify for any subsidy, in the interests of speed and to avoid complexity, I concur with Peter Walker's view that an early announcement is desirable and paramount.

4. I am copying this minute to the Foreign Secretary, the Attorney General, the Secretaries of State for Scotland and Wales, the Minister of Agriculture, Fisheries and Food, the Lord Advocate and Sir Robert Armstrong.

J. Prior

JP

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

19 October 1982

Fishery Ind

Fishery limits



119001982

Handwritten scribble



Prime Minute

The Chief Secretary's comments are expected soon.

A.J.C. 4/10.
[Signature]

PRIME MINISTER

AID FOR THE FISHING INDUSTRY

I am writing to add my support to the minute of 14 October from Peter Walker and George Younger.

Like the rest of the UK the situation facing the Welsh fishing industry has become so serious that further direct aid is necessary irrespective of the outcome of the Common Fisheries Policy negotiations scheduled for 25/26 October. The alternative of basic restructuring would be as unhelpful in Wales as in Scotland and South West England.

/ I am sending copies of this minute to the Foreign Secretary, the Attorney General, the Minister of Agriculture, the Secretary of State for Scotland, the Secretary of State for Northern Ireland, the Chief Secretary to the Treasury, the Lord Advocate and Sir Robert Armstrong.

[Large handwritten signature]

18 October 1982

[Signature]
R N E

Fishing Incl.
Aid.



18 OCT 1982

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Fishing Ind



PRIME MINISTER

N. B. P. R.

M 19 / 10.

AID FOR THE FISHING INDUSTRY

with ASC? -

I appreciate the need to reach an urgent decision on the proposal contained in the letter of 14 October to you from the Secretary of State for Scotland and the Minister of Agriculture, Fisheries and Food.

2. There are a number of points that I would like my officials to explore with MAFF officials before I comment (this discussion has been arranged for the morning of Tuesday 19 October).

*B/P 1
CST 4/10*

3. I will obviously let you have my comments as soon thereafter as I can.

4. Copies of this minute go to the Foreign Secretary, the Attorney General, the Secretaries of State for Scotland, Wales and Northern Ireland, the Minister of Agriculture, Fisheries and Food, the Lord Advocate and Sir Robert Armstrong.

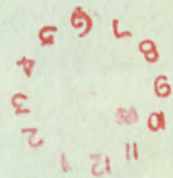
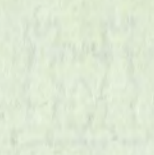
LEON BRITTAN

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

FISHING INDUSTRY : PT S AID TO FISHING INDUSTRY.



COMPANION



18 OCT 1982

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

CONFIDENTIAL

PRIME MINISTER

Prime Minister

You may wish to await
the Chief Secretary's views
before commenting.

14 October 1982

A. S. C. 15/10

We reported to Cabinet last week that it would be impossible to continue withholding aid to the fishing industry in the event of a failure of the negotiations on the Common Fisheries Policy scheduled to take place on 25/26 October. You will recall that permission was given by colleagues to provide aid in July in the event of our success in negotiations at that time.

Following the failure to reach agreement in July, we have continued to delay the provision of aid knowing that it would assist us in obtaining the industry's acquiescence in a settlement if it were announced at the time of a settlement.

We must, however, report that the financial situation of the industry is now serious. Confidential information from the Bank of England is that the Midland Bank are about to withdraw support to Consolidated Fisheries, of Grimsby, and that other major fishing companies are currently in what the Bank of England describes as "intensive care".

Last year we provided £25m worth of aid which just enabled the industry to break even, but in no way to reduce its very heavy bank borrowings. Although the industry had a better start this year than last, the current figures are not good, and we believe that costs in the industry will exceed aggregate earnings by between £15 and £20 million.

/We must, therefore, seek ...

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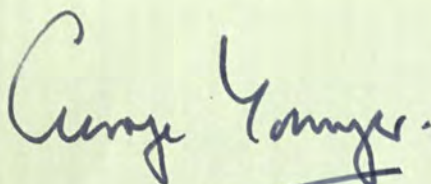
We must, therefore, seek approval to provide £15m on a repetition of the Fishing Vessel Temporary Support Scheme which we ran in 1981/82. Funds for this are available from the PES provision of just over £24m for 1982/83. We would announce the new aid measures immediately following the discussions on 25/26 October.

Like the Chief Secretary, we would like to spend money on basic restructuring but this would not serve to meet the immediate problems. Such investment in restructuring would be likely to be centred in the short run on Hull and Grimsby, and would not, therefore, assist us in the highly politically sensitive areas of Scotland and South West England. We would also hope as part of the final Community agreement to obtain the maximum benefit from Community funds for restructuring.

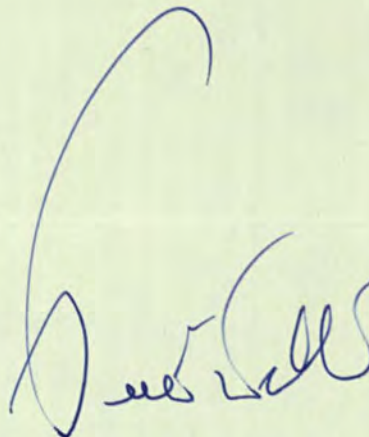
For the same reasons we do not think we should give undue weight to the fact that the Commission have now launched a legal challenge to our previous schemes, and might well take action against this one. We will in any case try to persuade the fisheries Commissioner that it would be wise for the Commission not to pursue their challenge in this case.

If the negotiations on 25/26 October are successful we will, of course, be complying with the agreement made with colleagues last July. If they are unsuccessful the depression in the fishing industry will be of such a degree that the measures will be very much needed.

✓ Copies of this minute go to the Foreign Secretary, the Attorney General, the Secretary of State for Wales, the Secretary of State for Northern Ireland, the Chief Secretary to the Treasury, and Sir Robert Armstrong, *and the Lord Advocate.*



GEORGE YOUNGER



PETER WALKER

*Copied to Home Affairs July 1979 Disposal of Nuclear Waste
West Health July 1982 St David's Hospital
Fishing Industry*

PRIME MINISTER

STATEMENTS ON FISH, ST DAVID'S HOSPITAL AND RADIO ACTIVE WASTE MANAGEMENT

These statements caused no surprises, and a considerable amount of boredom.

FISH

On the Agricultural and Fisheries Council, the Opposition, led by Norman Buchan had two main questions. First, if the September Council reached agreement on the CFP, would the Minister reserve his position until the House had a chance to have a debate? Second, if no agreement was reached by the end of the year, would the Government ensure that there would not be a free for all, with fishing up to the beaches? On these points, Mr Walker said that he hoped for agreement at the September Council, and that he would not reserve his position pending a debate; he would come to the House and defend the agreement afterwards; that was the line that John Silkin had taken when in office. If there were no agreement, he would ensure that there was no free for all. He would also ensure that any agreement was acceptable to the majority of the United Kingdom fishing industry.

ST DAVID'S HOSPITAL, DYFED

Mr Edwards got some credit for publishing the report on St David's Hospital, and coming down to the House to make a statement. The Opposition, led by Alec Jones, seemed mainly interested in discovering who was responsible for the sorry state of the hospital, and whose head should therefore roll. They also tried to suggest that the main problem was a lack of funds for the hospital. Mr Edwards pointed out that the Chairman of the Regional Health Authority had only received the report today, and it was much too early to specify who was to blame. Many attempts had been made to correct the relative under-funding in the Dyfed area, but one of the main problems was that the Health Authority had itself accorded very low priority to mental illness services, despite pressure from the Welsh Office.

RADIO ACTIVE WASTE MANAGEMENT

Denis Howell spoke at some length that Gordon Wilson rose on a point of order to complain. In the course of about fifteen minutes, he managed to put only three questions. First, why was there no independent element in the new Nuclear Industry Radio Active Waste Executive; second, would the NII and NRPB still retain their existing

/functions;

functions; and were the Government's intentions over the disposal of highly active waste still the same? Mr King pointed out that it would be quite inappropriate to have an independent element on the Executive, but that the Executive would submit its proposals to the Waste Management Advisory Committee, on which there was a strong independent element. The functions of the NII and the NRPB would be unaffected. The AEA's borehole drilling programme had been stopped because new technical advice suggested that surface storage of highly active waste for 50 years or more was quite sufficient. Most of the subsequent questioning centred on the need for an independent element on the Executive, and ^{as the} a decision to abandon the borehole drilling programme, and on safety of surface storage for highly active waste.

wrk.

22 July, 1982



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

From the Minister's Private Office

W Rickett Esq
Prime Minister's Office
10 Downing Street
London SW1

22 July 1982

Dear Willie

COUNCIL OF MINISTERS: 19-21 JULY 1982

--- I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office) and to Private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely

Robert Lawson

ROBERT LOWSON
Private Secretary

DRAFT STATEMENT ON AGRICULTURE AND FISHERIES COUNCILS:

19/21 SEPTEMBER

With permission, Mr Speaker, I should like to make a statement about the meetings of the Agriculture and Fisheries Councils which took place earlier this week.

At the Agriculture Council on 19 - 20 July, at which the United Kingdom was represented by my Rt Hon Friend, the Minister of State, and my Hon Friend, Minister of State at the Northern Ireland Office, agreement was reached upon a package of measures for the wine sector. I am pleased to inform the House that we obtained satisfactory safeguards for our alcohol and spirits industries.

On 20 - 21 July there was a meeting of the Fisheries Council at which I was accompanied by my Rt Hon Friend, the Secretary of State for Scotland, and my Rt Hon Friend, the Minister of State.

The Danish Delegation refused to approve measures involving agreements with Norway. This prevented the Commission from negotiating with the Norwegian Government on Total Allowable Catches in respect of joint stocks which would have considerable impact upon quota allocations.

Nine Member States agreed that until this negotiation could take place there could be no meaningful discussions on Total Allowable Catches, quotas, and access. This was certainly the view of the United Kingdom Government, since important quotas for cod and herring are involved.

/It was, therefore, ...

It was, therefore, agreed that negotiations upon these major aspects would be resumed at a meeting of the Fisheries Council to be held in Luxembourg on 21 September.

Agreement was reached on a number of implementing measures under the Marketing Regulation which will come into operation on 1 January 1983.

Fishing Bill

AMENDMENT TO THE OPPOSITION MOTION

That this House welcomes the further progress achieved by Her Majesty's Government in the search for a satisfactory revised Common Fisheries Policy, particularly in relation to conservation, marketing and control; confirms that such a policy must maintain the need to secure an exclusive 12-mile limit, preference outside 12 miles to protect particularly dependent fishing communities, adequate quotas for the United Kingdom, effective conservation measures and a community-wide system of enforcement as well as improvements in the marketing arrangements hitherto in force; and urges Her Majesty's Government vigorously to continue, in consultation with the fishing industry, the search for a solution on the outstanding issues.

15/7

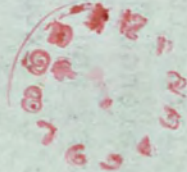
THURSDAY 15 JULY

COMMON FISHERIES POLICY - OPPOSITION MOTION

That this House reaffirms its commitment to a 12 mile exclusive limit, dominant preference in the 12 to 50 mile zone, effective conservation measures, and catch quotas for the United Kingdom which fully reflect the extent of fishing stocks in United Kingdom waters and the loss of fishing opportunities for the United Kingdom in third country waters as the essential requirements for the United Kingdom in any acceptable common fisheries policy, and accordingly demands that the United Kingdom Government refuse to agree to any common fisheries policy settlement that does not secure these essential requirements.



14 JUL 1982





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

Willie Rickett Esq
10 Downing Street
London
SW1

14th July 1982

W
15/7

Dear Mr Rickett

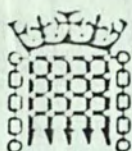
FISHERIES DEBATE: 15 JULY 1982

- ... I attach for information a copy of the Opposition motion for tomorrow's debate on the Common Fisheries Policy. I will contact you later today to clear the terms of the Government amendment.
- ✓ I am copying this letter to Francis Richards (FCO), Muir Russell (Scottish Office), John Craig (Welsh Office), Steven ~~Boys~~ Smith (Northern Ireland Office).

Yours sincerely

Katlyn Fox

MISS K A FOX
Parliamentary Clerk



NOTICE OF MOTION

Thursday 15 July 1982

Mr. Michael Foot
Mr. Denis Healey
Mr. Bruce Millan
Mr. Norman Buchan
Dr. Mark Hughes
Mr. Martin O'Neill

COMMON FISHERIES POLICY

"That this House reaffirms its commitment to a 12 mile exclusive limit, dominant preference in the 12 to 50 mile zone, effective conservation measures, and catch quotas for the United Kingdom which fully reflect the extent of fishing stocks in United Kingdom waters and the loss of fishing opportunities for the United Kingdom in third-country waters as the essential requirements for the United Kingdom in any acceptable Common Fisheries Policy, and accordingly demands that the United Kingdom Government refuse to agree to any Common Fisheries Policy settlement that does not secure these essential requirements."

DEBATE ON FISHERIES

Motion by the Labour Party on the Common Fisheries Policy negotiations with relevant EEC Documents, Thursday 15th July.

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Conservative Research Department
32 Smith Square
LONDON SW1P 3HH

RBC/SCB
12.7.82

DEBATE ON FISHERIES1. Introduction

Ever since the elections in 1974, negotiations have taken place in Europe on the reform of the Common Fisheries Policy. Up until May 1979, no progress was made whatsoever under the Labour Government - in fact, Peter Walker and Alick Buchanan-Smith took over a situation whereby eight Member States had basically agreed the format for a new Fisheries Policy, with Britain totally isolated on the side-lines.

The aim of Peter Walker and Alick Buchanan-Smith has been to assure stable and satisfactory conditions for the future prosperity of the fishing industry. In 1980, they secured agreement for community wide conservation measures, which were intended to safeguard the future of fish stocks (these have now been placed on a permanent basis). At the September 1981 Council, under Peter Walker's Presidency, and particularly as a result of an initiative by the United Kingdom, agreement was reached on a substantial revision of the marketing scheme of the Community. It extended its coverage, improved the effectiveness of the protection against low priced imports and tightened up the internal arrangements for fish marketing.

Throughout the negotiations on the Common Fisheries Policy, the Government has taken measures to ensure the continued viability of the British Fisheries Industry. Unlike the last Labour Government, Peter Walker has increased the aid available to the industry dramatically throughout his three years as Minister of Fisheries. In fact, aid to the fishing industry is now double that which the industry received under the previous Labour Government (totalling £42 million, of which £7.6 million went to the Company sector, ie the deep sea fleet). In 1980, an additional £17 million worth of aid was made available to the Fishing Industry for vessel owners, producer organisations and for exploratory voyages. In 1981, further aid along similar lines, worth £25 million, was also given. Negotiations on aid to the industry for this year are still in progress and being considered.

To put the industry on a firm footing, the Government decided to merge the two existing Fisheries Authorities into a new Sea Fish Industry Authority. It is hoped that this will provide a basis for the industry to modernise and develop its catching and marketing arrangements, to strengthen the provisions for enforcement of conservation measures and to assist the development of fish farming.

Finally, three of Peter Walker's Marketing Advisors published a report in July this year on the Marketing of Fish. It called for radical changes in the industry's approach to Marketing, and it has been widely welcomed by the industry as a starting point for a new approach to Marketing.

The major outstanding issues in the renegotiations are: quotas and access. The Government is determined that these subjects should be negotiated together and that the final settlement should reflect the dominant position of the United Kingdom in fishing within Community waters. The quota proposals published by the Commission have so far been short of minimal demands by both Ministers and the industry. The latest proposals published on the 29th June and which are to be discussed at the Council of Ministers meeting on the 21st July, are an improvement but pose certain questions on the recommended TACs from the ICES. As far as access is concerned, the Government is determined to

...../

get a settlement that satisfies all sectors of the Fishing Industry, in particular the Inshore and Middle Water fleets. Undoubtedly, the structure of the United Kingdom fleet has changed over the last few years, in particular since the loss of distant fishing grounds such as Iceland. There has been an increase in the inshore fleet since 1970 of 1700 vessels, whilst the deep sea and freezer fleet has more than halved. The advent of world 200 mile exclusive limits in the mid-1970s also hurried the demise of the larger vessels.

Since the last debate on the 9th December 1981, little progress has been made on the two remaining issues, There have only been two Council meetings this year, the last at the end of June when the new proposals for quotas and access were presented by the Commission.

Throughout the negotiations in Europe, Ministers have sought the support of industry representatives on all proposals put up by the Commission. Nothing that has been agreed so far has been decided on without agreement with the industry first.

2. The Government's Record on Aid and Other Matters

The following diary of events since the last election highlights the achievements of the Government on Fisheries:

November 1979: £443,000 made available to finance exploratory voyages for under-utilised species of fish (Blue Whiting, etc.)

March 1980: Aid worth £2 million made available in the form of short-term financial aids and a further £1 million to extend the programme of exploratory voyages to assess the commercial potential for exploiting under-utilised species.

April 1980: £2.7 million aid from FEOGA for UK inshore fishing industry for the construction and purchase of vessels and to develop marine fish farming.

May 1980: Announcement of further aid for the UK fishing industry - £6.15 million made available to White Fish Authority for fishing vessel projects.

Minister negotiates increases in reference prices for imports of frozen fish from third countries (imports from outside the Community).

June 1980: EC Council of Ministers decide to restore the common custom tariff on cod, haddock and hake.

August 1980: Minister of Agriculture, Fisheries and Food announced further aid for the fishing industry of over £14 million in addition to the £23½ million already being made available. It was also proposed to make £0.9 million available this year for replacement fishery protection vessels.

September 1980: The EEC Council of Fisheries Ministers reached agreement on a European Community Conservation regime, which was mostly based on existing UK measures.

March 1981: Minister announced further aid worth £25 million to the fishing industry, on similar lines as the aid given in 1980.

April 1981: Ministry announced a further aid package of £2.46 million for UK inshore fishing industry from the European Community for the construction and modernisation of vessels under 80 ft. long.

July 1981: Ministry announced new Fisheries Act 1981, which gives new powers for financial aid to the industry; strengthening controls for enforcing fishing conservation and management; assisting fish farming; and restricting whaling operations.

The Sea Fish Industry Authority is also launched to modernise and develop the marketing of fish.

September 1981: Under the Presidency of the Minister, the EC Council of Fisheries Ministers reached agreement on a series of measures which represent an important step towards a revised Common Fisheries Policy. These include an improved marketing system, renewal for a further year of EEC aid for construction and modernisation of fishing vessels, continuation of existing conservation arrangements and further protection against third country imports.

Klondykers: Orders were approved by the House in January 1982 that all receiving vessels (Klondykers) whether from the United Kingdom, other Community states or third countries, may not receive within British fishing limits mackerel, herring, horse mackerel, sprat or pilchards caught by UK registered fishing vessels except under the authority of a license issued by the Government.

Beam Trawling: An order was approved by Parliament in April 1982 similar to those in other Member States, to ban Beam Trawling within 12 mile limits around Great Britain by vessels exceeding 70 gross tonnes (300 HP) fishing for sole or plaice. This complements the existing ban on Beam lengths over 8 metres within the 12 miles.

3. Access

The 1976 Fisheries Act extended all United Kingdom waters to 200 miles, in line with the general move in this direction by other fishing nations in the Western world. Within the 200 mile limits of European Member States, exclusive zones were established of six miles, in places extending to twelve miles, with certain historic rights being maintained.

On the issue of fishing rights within Member States' waters, the Government has been and is seeking a basically exclusive six mile zone around our shores. In the area between 6 and 12 miles, there are many historic rights held by Member States, since 1964 when the three mile exclusive zones were extended to 6 (and 12 miles in a few places). It must be remembered that UK fishermen also have historic rights off the coast of Ireland and France which are essential to certain communities that are dependent on fishing. Therefore to claim an exclusive 12 mile zone around our shores would deprive many fisherman of their traditional fishing grounds.

The proposals that are being negotiated now, are based on the rights that were established before we joined the European Community, not since. No agreement would destroy this position that the Government has persuaded all other Member States to adopt.

...../

Outside the 12 miles, dominant preference will be given to local communities which are dependent on fishing.

The last Government were continuously changing their position, on access in particular, as the following quotations show:-

- (a) "We have also made very clear to the Community the United Kingdom's requirements for a reserved coastal band of not less than 12 miles, and extending in parts to 50 miles."
(Peart, 28th June 1976, Col. 27).
- (b) "The fact is, as we have said, that we have been looking at the key areas beyond the 12 miles and have found that many are within 35 and all are within 50 miles. That remains our position."
(Bishop, 8th July 1976, Col. 1592).
- (c) "There was always the fishing industry's idea based on a 50 mile exclusive zone, which meant that literally a United Kingdom fisherman would be allowed to fish in that zone; there was the United Kingdom Government's idea of the variable belt; and there was the third idea of a totally exclusive belt up to 12 miles and then a dominant priority. These are all methods of obtaining the objectives."
(Silkin, 30th June 1977, Col. 523, Oral Questions)
- (d) "This included a 50 mile basis of conservation, a 12 mile exclusive zone, and a 12 to 50 mile dominant preference. These were minimum demands, as were our demands on conservation."
(Silkin, 9th December 1977, Col. 1852)
- (e) "By dominant preference I mean that the limitation of effort, the conservation measures, the management of that zone and the growth potential are dominantly preferential in favour of the coastal state."
(Silkin, 19th January 1978, Col. 676)
- (f) "We have to stick by the decision which was repeated in the House year after year, that there would be no surrender beyond the 12-mile exclusive limit and the 50-mile dominant preference."
(Buchan, 30th June 1982, Col. 895)

4. Quotas

The allocation of quotas to each Member State is inextricably linked to the matter of access and the Government has continuously stated that the two should be negotiated together.

Proposals set before the Council on June 29th give us just over 36% of the total allowable catch of fish of the seven major edible species. This was just short of 30% of the total allowable catch of all fish, including industrial species. These proposals are agreed by the industry to be close to what they require as the minimum acceptable.

...../

The present proposals (EEC Document and Memorandum unnumbered, dated 7th July 1982) are an improvement on the previous allocation and C in draft instruments 7863/82, 7786/82, and 7788/82 and take the UK's quotas above the 36% which is basically acceptable to the industry.

These latest proposals which include quotas in Swedish, Norwegian and Faroese waters are under careful consideration by the Government and the industry as a whole.

5. Enforcement and Conservation

In October 1980, the Council of Fisheries Ministers agreed that each Member State should be responsible for the enforcement of control measures within its fishing limits. At the September Council last Autumn, it was agreed that the existing conservation regulations, which were due to expire at the end of October, should be adopted by the Council on a permanent basis. This was a considerable achievement by the UK Ministers, in that it established indefinitely the existence of the Norway Pout Box and the full range of technical conservation measures, including minimum mesh sizes. Minor details, such as control of by-catches, have still to be agreed.

Document 7954/82 covers many matters including access, quotas, conservation and management, and are a considerable improvement on previous proposals.

6. Imports and Third Country Agreements

Early in 1981, allegations were made of unfair and illegal imports. As a result of this, the Minister set up a team of industrial representatives and Government officials to examine these allegations, so as to establish the facts.

1981

In June, the team concluded that the major factor affecting the UK market had probably been the strength of sterling attracting imports and prices, which were relatively low when considered against the significant increases in costs with which fishermen have had to contend. It also established that significant imports from third countries have been coming in at below the reference price.

1981

The September Council agreed a long term frame-work agreement for Canada and reciprocal arrangements with the Faroes and Sweden, which, linked with lower exchange rates, has removed the threat posed earlier this year by reduced tariff imports. The agreements also provided some opportunities for UK vessels (although not enough) to fish in Canadian and Faroese waters - these are still to be settled. Agreement would not have been reached on the Marketing proposals without some agreement on third country arrangements.

7. Marketing

Besides the Minister's initiative through his Marketing Advisors, to improve the marketing of fish the Council of Ministers, under pressure from UK Ministers, agreed in September 1981 the following elements to new marketing measures and arrangements for the Community:-

...../

- a streamlined, more certain and speedier method of ensuring that reference prices for imports of fish from third countries are observed, so that Community, and particularly United Kingdom, fishermen can be protected more effectively against low-priced imports;
- revision of the tariff arrangements for herring, so that Community processors are encouraged to take supplies of herring caught by United Kingdom fishermen;
- revision of the market support arrangements to encourage producer organisations to market their fish to the best advantage;
- arrangements for bringing wild salmon, lobster, crabs, nephrops and dogfish into the Community's system for supporting producers.

These measures came into effect on the 1st June 1982.

The Fishing Industry wholeheartedly supported the agreement on Marketing - as David Aitchison, Chief Executive of the Scottish Fishermen's Federation, said: "...on balance, it seems possible that these changes will bring greater stability to the market, both from the point of view of imports and the new producers' organisation arrangements." (Fishing News, 2nd October 1981). Austin Laing, Chief Executive of the British Fishing Federation, also enthusiastically supported the Minister's achievement, "... it was an important step forward which augured well", (Financial Times, 1st October 1981).

8. If no agreement before the end of 1982

Article 103 of the Act of Accession to the Community provides for limitation to be agreed by the Council of Ministers on Access to maritime waters after 31st December 1982. Therefore there is NO QUESTION of 'Fishing up to the beaches' as there was no fishing 'up to the beaches' before we joined.

9. Restructuring the fleet

Aid for modernising the fleet is already available and has been paid from UK grants and loans (see 2 above). The Commission has proposed a further extension of the EEC interim aid scheme and proposals for a more comprehensive restructuring policy are being discussed with the other proposals for quotas etc.

The Government obviously attaches priority to decommissioning grants and measures to help modernise the fleet.

10. Summary

Under the last Labour Government, there was no progress whatsoever in negotiating a satisfactory Common Fisheries Policy that would be acceptable to all sectors of the industry. Mr Silkin, with his anti-European attitude, blocked negotiations to the extent where Britain became totally isolated, with no progress on common conservation measures, marketing measures, or on quotas or access.

Under the Conservative Government with our Fisheries Ministers, agreement has been reached on many issues.

However, the major negotiations on access and quotas are still in progress (the next Council is on 21st July), and Ministers are determined that any agreement reached in the Council of Ministers should be supported by the Fishing Industry's representatives themselves. In all negotiations and agreements so far, the industry has worked closely with Ministers on the spot, and it is hoped that in the coming tough discussions on the two outstanding major issues, this process of close co-operation will continue. This is totally opposite to the last Government's attitude, where Mr Silkin went his own way without really bothering to consult with the industry during negotiations.

"My only objective in negotiating is to provide British fishermen, including Scottish fishermen, with a better future than they have had for many years, since we lost the Icelandic waters. If I cannot attain that objective, and the industry does not agree that I can attain it, I shall come to the Dispatch Box and say that there is no agreement." (Peter Walker, 30th June 1982, Col 896).

Conservative Research Department
32 Smith Square
LONDON SW1

RBC/SCB
12.7.82



File to
Fishing Policy

10 DOWNING STREET

From the Private Secretary

29 June, 1982.

Common Fisheries Policy

During the European Council which has just ended the Prime Minister received a message from Mr. Walker recommending that she should draw Chancellor Schmidt's attention to the stage reached in discussion by Fisheries Ministers of the Common Fisheries Policy and urge him to use his influence to secure a rapid and final settlement.

The Prime Minister did not have a formal bilateral meeting with Chancellor Schmidt during the Council (the only time available being taken up by a breakfast meeting between Schmidt and Mitterrand). But at the dinner for Heads of Government last night the Prime Minister spoke to Chancellor Schmidt about the desirability of speedily concluding negotiations on the Common Fisheries Policy and in particular drew attention to the danger that Denmark would obstruct a settlement pending its assumption of the Presidency in the course of this week. Unfortunately, Chancellor Schmidt was unsighted and countered with an inapposite reference to Greenland. On this occasion the Prime Minister did not feel that her intervention had been effective.

I am copying this letter to Francis Richards (Foreign and Commonwealth Office) and David Hancock (Cabinet Office).

A. J. COLES

Robert Lowson, Esq.,
Ministry of Agriculture, Fisheries and Food.



10 DOWNING STREET

From the Private Secretary

22 June, 1982.

SUBJECT.

Fishing Industry

✓. market ask.

Common Fisheries Policy

The Minister of Agriculture, Fisheries and Food discussed this question with the Prime Minister at 1130 on 22 June. The Foreign and Commonwealth Secretary, the Secretary of State for Scotland, Mr. Alick Buchanan-Smith, Sir Robert Armstrong and Mr. Hancock were present. The meeting had before it the background note attached to your letter to me of 21 June.

The Minister said that agreement had been quite close 15 months ago and the industry at that time had said that they would accept quotas of 36.1% of the total Community catch. The negotiations had then come to a halt when the French pulled out. The current proposals gave the UK 35.5% of the total Community catch, but the quality of the fish was better. A number of improvements would have to be secured - in particular the Commission had proposed a big cut in the UK's share of the herring quota. The Minister had taken the industry representatives through the proposals in detail, and now thought that there was a good chance that the industry would support an agreement on quotas provided that some improvements in the Commission's proposals were secured.

The Commission's proposals on access were not at all unsatisfactory. They would give the United Kingdom exclusive rights within 6 miles and the historic rights given to other countries in the 6-12 mile zone were better than those agreed at the time of Accession and went back to the pattern of pre-Accession historic rights. A box was to be created around the Shetlands within which boats above a certain size would have to be licensed. The proposals were backed up by an agreement on enforcement whereby the United Kingdom would be responsible for enforcement within its own waters, and the Commission would check that the task was properly carried out. This represented an important protection for UK fishing interests. The leaders of the British Trawler Federation and the Scottish fishermen (representing about 80% of the UK industry as a whole) had indicated that they would support the proposals on access. But the leaders of the English inshore fishermen had said that they would only accept an agreement giving exclusive rights within 12 miles. This was a completely unrealistic position because the historic rights of other countries went back a

very long time and were balanced by valuable historic rights possessed by the UK in other waters and particularly around the Irish Republic.

The duration of the agreement would be satisfactory - it looked as though agreement could be secured to 10 years which would be extended for a further 10 years unless there were unanimous agreement to a change.

However, because of the position taken by Mr. Silkin when he was Fisheries Minister, the Opposition were almost certain to denounce the proposals as a sell-out, and there might be difficulties with Conservative members representing coastal constituencies, particularly in the North East. The Minister intended to see the Conservative members with an interest to explain the position with care.

The Minister said he also intended to visit Brussels to explain privately to Monsieur Thorn, who had taken charge of these negotiations in the Commission, what the essential UK requirements were on quotas.

The Secretary of State for Scotland said that the Shetland Islanders were quite willing to see a box, but had some rather impractical ideas on how it would be administered. There was also a conflict of interest between the Shetland Islanders and fishermen from the North East coast of Scotland as well as between Scottish and French fishermen. But on the whole he was reasonably optimistic that the Scottish interests could be reconciled with the access proposals. Problems could however arise if the negotiations dragged on and the English inshore fishermen continued to press for exclusive rights within 12 miles, since this would be bound to encourage the more militant members of the Scottish industry to put pressure on their leaders to take a tougher line.

Mr. Buchanan-Smith said that in his judgement the deal that was now in prospect was good for the industry as a whole. However, there were unfortunately signs that the Danish Minister would prevent agreement in June hoping no doubt to exploit his Presidency to Danish advantage. This could lead to an awkward period during which British Ministers would have to defend a position which was not as favourable to the UK as some of the UK interests would like, but also did not secure an agreement.

Summing up the discussion, the Prime Minister said that the Government should clearly go for a settlement since the alternative would put our fishing interests entirely at risk. She hoped that the Minister and the Scottish Secretary would do everything possible to persuade the Conservative back-benchers to support

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the agreement and to get the British trawlermen and the Scottish industry to put the maximum amount of pressure on the English inshore fishermen. If Denmark did prevent agreement, Ministers would have to consider how best to bring pressure on the Danes to permit the settlement to be secured.

I am sending copies of this letter to Francis Richards (Foreign and Commonwealth Office), Muir Russell (Scottish Office), and David Wright (Cabinet Office).

A. J. COLES

Robert Lowson, Esq.,
Ministry of Agriculture, Fisheries and Food.

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CONFIDENTIAL

Qz.02624

*Please have letter
typed and despatched in
my absence.*

A.F.C. 22/6

MR COLES

cc: Mr Wright
Mr Stapleton
Mr Wentworth

FISH

I attach a draft Private Secretary letter recording
the discussion at No 10 this morning.

D.H.

D J S HANCOCK

22 June 1982

CONQUEROR

CONFIDENTIAL

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DRAFT LETTER FROM: A J COLES

TO: Robert Lowson Esq, MAFF

cc: Francis Richards Esq, FCO
Muir Russell Esq, Scottish Office
David Wright Esq., Cabinet Office.

COMMON FISHERIES POLICY

The Minister of Agriculture, Fisheries and Food discussed this question with the Prime Minister at 11.30 am on 22 June. The Foreign and Commonwealth Secretary, the Secretary of State for Scotland, Mr Alick Buchanan-Smith, Sir Robert Armstrong and Mr Hancock were present. The meeting had before it the background note attached to your letter to me of 21 June.

The Minister said that agreement had been quite close 15 months ago and the industry at that time had said that they would accept quotas of 36.1% of the total Community catch. The negotiations had then come to a halt when the French pulled out. The current proposals gave the UK 35.5% of the total Community catch but the quality of the fish was better. A number of improvements would have to be secured - in particular the Commission had proposed a big cut in the UK's share of the herring quota. The Minister had taken the industry representatives through the proposals in detail and now thought that there was a good chance that the industry would support an agreement on quotas provided that some improvements in the Commission's proposals were secured.

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The deviation of the agreement would be satisfactory - it looked as though agreement could be secured to 10 years which would be extended for a further 10 years unless there were unanimous agreement to a change.

However, because of the position taken by Mr Silkin when he was Fisheries Minister, the Opposition were almost certain to denounce the proposals as a

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sell-out and there might be difficulties with Conservative members representing coastal constituencies, particularly in the North East. The Minister intended to see the Conservative members with an interest to explain the position with care.

The Minister said he also intended to visit Brussels to explain privately to Monsieur Thorn, who had taken charge of these negotiations in the Commission, what the essential UK requirements were on quotas.

The Secretary of State for Scotland said that the Shetland Islanders were quite willing to see a box but had some rather impractical ideas on how it would be administered. There was also a conflict of interest between the Shetland Islanders and fishermen from the North East coast of Scotland as well as between Scottish and French fishermen. But on the whole he was reasonably optimistic that the Scottish interests could be reconciled with the access proposals. Problems could however arise if the negotiations dragged on and the English inshore fishermen continued to press for exclusive rights within 12 miles, since this would be bound to encourage the more militant members of the Scottish industry to put pressure on their leaders to take a tougher line.

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Mr Buchanan-Smith said that in his judgement the deal that was now in prospect was good for the industry as a whole. However, there were unfortunately signs that the Danish Minister would prevent agreement in June hoping no doubt to exploit his Presidency to Danish advantage. This could lead to an awkward period during which British Ministers would have to defend a position which was not as favourable to the UK as some of the UK interests would like but also did not secure an agreement.

Summing up the discussion, the Prime Minister said that the Government should clearly go for a settlement since the alternative would put our fishing interests entirely at risk. She hoped that the Minister and the Scottish Secretary would do everything possible to persuade the Conservative back-benchers to support the agreement and to get the British trawlermen and the Scottish industry to put the maximum amount of pressure on the English inshore fishermen. If Denmark did prevent agreement, Ministers would have to consider how best to bring pressure on the Danes to permit the settlement to be secured.

I am sending copies of this letter to Francis Richards (FCO), ~~and~~ Muir Russell (Scottish Office).
and David Wight (Cabinet Office).

ADL



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

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From the Minister's
Private Office

A J Coles Esq
10 Downing Street
London
SW1

21 June 1982

Dear John

COMMON FISHERIES POLICY

I understand that the Prime Minister will take the Chair at a meeting to discuss this subject tomorrow morning at 11 o'clock. Participants --- may find the enclosed note helpful as background to the discussion.

I am sending copies to Francis Richards (FCO), Muir Russell (Scottish Office) and David Hancock (Cabinet Office).

Yours sincerely
Robert Lawson

R LOWSON
Private Secretary



COMMON FISHERIES POLICY - CURRENT COMMISSION PROPOSALS

INTRODUCTION

1. Following the agreement of the Fisheries Council on the Control Regulation, there are now four outstanding groups of proposals in respect of a revised Common Fisheries Policy - on access, total allowable catches (TACs) and quotas, structures and conservation.

ACCESS

2. The proposals on access have three main features:-

- (a) within 12 miles, an exclusive 12-mile zone, with traditional rights for other Member States confined to the outer six miles (no fishing up to the beaches) and restricted broadly to those rights that applied before Accession, thus putting right most of the unfavourable aspects of the Accession Treaty on this subject;
- (b) outside 12 miles, a substantial area of preference for the UK in the form of a large area around the Orkneys and Shetlands in which the larger vessels (over 25 metres) undertaking demersal fishing have to be licensed whilst the smaller vessels (which are all from the UK) do not;
- (c) the agreement would take the form of a derogation from the Treaty with an assured life of 20 years plus a similar provision in respect of the subsequent years to that in the Treaty of Accession on the basis of which the present proposals have been negotiated.

TACs AND QUOTAS

3. A set of proposals for total allowable catches which provide for catches somewhat above the optima proposed by the scientists are accompanied by a set of proposed quotas for each Member State which give the UK 35.5 per cent of the seven main species and about 31 per cent of the herring. Not surprisingly, the proposals are a mixed bag from the UK point of view, with a somewhat lower percentage of the seven main species for the UK than in the previous set of proposals but a better distribution between stocks, with fewer "paper fish."



STRUCTURES

4. The proposals on structures concentrate most of the expenditure on decommissioning grants and construction and modernisation grants, which are the items of most interest to the UK, although there are also some minor grants of interest primarily to Greece and Italy.

CONSERVATION

5. The revised Conservation Regulation includes a number of new provisions of importance and assistance to the UK. The Council are very close to agreement on this aspect.



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Qz.02620

PRIME MINISTER

Ad Hoc Meeting: 11am Tuesday 22 July

Common Fisheries Policy

1. The purpose of this meeting is to consider the line which the Minister of Agriculture, Fisheries and Food should take at the Fisheries Council on 28/29 June and thereafter. As well as the Minister of Agriculture, the Foreign and Commonwealth Secretary and the Secretary of State for Scotland have been invited to attend.
2. The background was described in my minute to Mr Whitmore of 11 June (Annex A). Mr Walker's office have now circulated a further factual note (Annex B).
3. The main questions that the meeting should consider are:-
 - (a) What are the views of the United Kingdom fishing industry on the proposals? It may be possible to persuade them to accept the access arrangements but the quotas are likely to be more difficult.
 - (b) What can be done to make any fisheries package more acceptable to our industry? Is sufficient improvement of the quota proposals likely to be negotiable in the Council? If not, how far would further aid to the industry help if it was justified in terms of the overall agreement, eg to help restructure the industry?
 - (c) Would agreement on access alone help the United Kingdom? This has previously been the stumbling block for the United Kingdom. If it were agreed - or virtually agreed - on its own it would remove from the negotiations the issue of greatest political sensitivity for the United Kingdom and the main area of legal uncertainty and argument in relation to the expiry of the derogations in the Treaty of Accession. Once access were settled, the UK would be less exposed, for the

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Danes are more likely than the UK to prove the stumbling block to agreement on quotas, and, because they will be in the chair, they would be likely to be severely criticized if their delegation were thought to be obstructive.

HANDLING

4. You may want to invite the Minister of Agriculture to start by explaining the proposals which will be before the Council and the prospects for reaching agreement. He is seeing Monsieur Thorn tomorrow afternoon and will no doubt wish to give the meeting an account of his objectives on that occasion.

5. You might then direct discussion to the three issues identified above; that is:

- (a) What are the views of the United Kingdom fishing industry on the proposals?
- (b) What if anything can be done to make the package more acceptable to the industry?
- (c) Would agreement on access alone help the United Kingdom? Is it negotiable?

6. The Foreign and Commonwealth Secretary will no doubt wish to comment on the importance of preventing fisheries becoming enmeshed with the budget negotiations. You may wish to invite the views of the Secretary of State for Scotland on the political acceptability of the proposals in Scotland.

CONCLUSIONS

7. In the light of the discussion your summing up might cover:
- (a) The desirability of reaching a quick agreement on the CFP, or at least on the access element.
 - (b) The nature of the agreement which might be acceptable to the United Kingdom fishing industry.
 - (c) The possible need for further aid to the United Kingdom fishing industry.

D.H.

D J S HANCOCK

21 June 1982

PRIME MINISTER

c. Miss Stephens

Common Fisheries Policy

I understand that you want to discuss this with Mr. Walker before the Fisheries Council on 28/29 June.

Would you like to do this on 22 June, after OD? *Yes*

Would you like the Foreign Secretary and the Secretary of State for Scotland to be present? *Yes please*

18 June 1982

Mr A.F.C.

Caroline

We agreed that you would set this up in place of OD at 11:00 a.m. tomorrow.

*A already done. A.F.C. 21/6.
E.S. 21/6.*

W.F.S.R.

PRIME MINISTER

2
Wm
24/6

STATEMENT ON COUNCIL OF FISHERIES MINISTERS

The Opposition, led by Mark Hughes, tried to paint Mr. Walker's statement as a "sell out" that would dismay the fishing industry. They felt that the proposal for a six mile exclusive zone would only mean security for the inshore industry at the expense of the deep sea industry. They called for an early debate in Government time.

Mr. Walker dismissed Mr. Hughes' comments as a purely party political reaction and said that he would enter into no agreement in Brussels without the agreement of the fishing industry.

The question whether the industry supported the proposals under discussion in Brussels dominated the rest of the discussion. Enoch Powell suggested that Peter Walker was simply hiding behind the industry. Donald Stewart suggested that Mr. Walker had cajoled the leaders of the Scottish fishing industry into accepting the proposals, and John Prescott argued that it was not for the industry but for the fishing communities, like Hull, to decide whether the proposals were acceptable. Mr. Walker dealt with all these comments successfully by saying that it was only natural for the Government to consult the industry, and that to suggest that they were being cajoled into agreement was an insult to the industry's leaders.

Quentin Ody Clerk
W.F.S.R.

mt

17 June 1982



Fisher, Inc. Wh 17/6
Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1A 2HH

M Pattison Esq
Prime Minister's Office
10 Downing Street
London SW1

17 June 1982

Dear Mike

COUNCIL OF MINISTERS: 14-15 JUNE 1982

I attach a copy of the statement which Mr Walker hopes to make in the House today. I would be grateful for immediate clearance.

I am copying this letter to Bernard Ingham; David Heyhoe (Leader of the House's Office); Murdo Maclean (Whip's Office, Commons); Michael Pownall (Whip's Office, Lords); David Wright (Cabinet Office); Keith Long (Chancellor of the Duchy of Lancaster's Office), and to private Secretaries of the other Agriculture Ministers and members of the OD(E).

Yours sincerely

Robert Lawson

ROBERT LOWSON
Private Secretary

DRAFT STATEMENT ON THE AGRICULTURE AND FISHERIES COUNCILS:

14/15 JUNE 1982

With permission, Mr Speaker, I should like to make a statement about the meetings of the Council of Agriculture Ministers and of the Council of Fisheries Ministers held in Luxembourg on 14 and 15 June respectively.

My Rt hon Friend the Minister of State and I represented the United Kingdom at the Agriculture Council.

Agreement was reached on rules governing the approval of newly developed proteins, for example from yeast, for use as animal feedingstuffs in the Community. The UK has a strong industrial interest in this and agreement will help our industry to exploit the technology it has pioneered.

There was discussion of a new framework regulation on wine. But no decisions were reached on this and discussion will be continued at the next Council.

The Council discussed minimum space standards for battery hens. I emphasised that the Community legislation must provide satisfactory arrangements for ensuring uniform enforcement throughout the Community. The Council will resume its discussions on this at its next meeting.

/Together with

Together with my Rt Hon Friends the Secretary of State for Scotland and the Minister of State, I represented the United Kingdom at the Fisheries Council.

The President of the Commission presented the Commission's proposals on total allowable catches and quotas and on access and it was agreed that these proposals would be considered at a further Council meeting on 28/29 June. In the meantime I have arranged for consultations with our industry.

The Council reached agreement on the arrangements for enforcement of the Community's rules on fishing. This provides for Member States to enforce the rules in their own waters, subject to Community inspection to ensure that all countries enforce the rules effectively and impartially. The Control Regulation will come into force as part of a general settlement of a revised Common Fisheries Policy or on 1st January 1983, whichever is the earlier. It is obviously essential that our fishermen can rely on the rules being enforced as effectively by other countries as they are by the United Kingdom. This agreement is a major step forward and follows the initiative the United Kingdom took last year.

The Council also made progress on a revised Conservation Regulation.

/Lastly, the

● Lastly, the Council agreed to authorise the continuation of payments to fishermen in respect of various market support measures. These will apply while detailed work goes ahead on the implementation of the new marketing regime.

This was a useful meeting preparing the way for the major discussions on quotas and access at the end of the month.

Original to P7
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ONPASS FCO NEWS DEPT, 01D AND NUMBER TEN DOWNING STREET
ITEM: EC MOVES CLOSER TO COMMON FISHERIES POLICY
BY JOHN BARROWS, LPS CHIEF ECONOMIC CORRESPONDENT
LUXEMBOURG (LPS): THE EUROPEAN COMMUNITY MOVED SIGNIFICANTLY
CLOSER TO AGREEMENT ON A COMMON FISHERIES POLICY(CFP) HERE
TODAY 15 JUNE WHEN PROPOSALS ON CATCH QUOTAS AND ACCESS TO
FISHING GROUNDS TABLED BY THE EC COMMISSION WERE BROADLY WELCOMED
BY MINISTERS.

INFORMED SOURCES SAID THAT WITH MINOR
ADJUSTMENTS THE PACKAGE WAS GENERALLY ACCEPTABLE TO NINE MEMBER
STATES, WITH ONLY DENMARK THOROUGHLY DISSATISFIED WITH ITS PROPOSED
QUOTA OF AROUND 23 PER CENT OF THE TOTAL EC CATCH.

FISHERIES MINISTERS THEREFORE AGREED AT THEIR MEETING TODAY
THAT A COMMITTEE OF TOP-LEVEL OFFICIALS SHOULD EXAMINE THE
PROPOSALS IN DETAIL OVER THE NEXT WEEK OR SO AND THAT ANOTHER
MINISTERIAL MEETING SHOULD BE HELD TOWARDS THE END OF JUNE IN THE
HOPE THAT A FINAL AGREEMENT CAN THEN BE NEGOTIATED.

BRITAIN HAS BEEN OFFERED A QUOTA OF ABOUT 35.5 PER CENT OF THE
EC CATCH, AND UK MINISTER PETER WALKER SAID THE PROPOSALS ON ACCESS
TO EC FISHING WATERS FOR BRITISH FISHERMEN WERE BETTER THAN ANY
PREVIOUSLY TABLED BY THE COMMISSION.

THE COMMISSION ALSO PROPOSE THAT THE UK SHOULD BE GIVEN A
SIX-MILE EXCLUSIVE FISHING ZONE AROUND ITS SHORES, RATHER THAN THE
12 MILES FOR WHICH THE UK HAD BEEN ASKING, BUT THAT BRITISH FISHER-
MEN SHOULD HAVE PREFERENTIAL RIGHTS IN THE ZONE FROM SIX TO 12

MILES FOR FROM THE COASTLINE. ONLY FOREIGN FISHING
VESSELS WITH "HISTORIC RIGHTS" WOULD BE ALLOWED WITHIN THE SIX TO
12 MILE ZONE, AND THE SAME CRITERIA WOULD APPLY TO THE COASTAL
FISHING WATERS OF OTHER MEMBER STATES.

MORE

CONSULTATIONS WITH INDUSTRY

MR WALKER TOLD CORRESPONDENTS THAT BETWEEN NOW AND THE NEGOTIATION ON THE PACKAGE, THE UK WOULD CLOSELY EXAMINE THE DETAILED PROPOSALS AND CONSULT WITH THE BRITISH INDUSTRY.

STRESSING THAT THERE WERE BRITISH RESERVATIONS ON QUOTAS, HE SAID IT WAS NOT SIMPLY THE GLOBAL QUOTA OF THE EC CATCH THAT WAS IMPORTANT TO THE UK FISHING INDUSTRY BUT THE QUOTAS FOR INDIVIDUAL FISH SPECIES WHICH THE INDUSTRY CONSIDERED OF GREATEST VALUE AND MOST MARKETABLE IN BRITAIN.

THE MINISTER SINGLED OUT AS "ABSOLUTELY UNJUSTIFIABLE," FOR EXAMPLE, A PROPOSED REDUCTION IN THE UK QUOTA FOR HERRING OFF THE WEST COAST OF SCOTLAND.

THERE WOULD SIMILARLY BE CONSULTATIONS WITH THE INDUSTRY ON ACCESS AREAS OF PARTICULAR IMPORTANCE TO IT, AND ON ANY SPECIAL PROBLEMS POSED FOR LOCAL FISHING COMMUNITIES IN BRITAIN.

MR WALKER SAID THE UK, BACKED BY SOME OTHER STATES, CONSIDERED DURABILITY FOR WHATEVER AGREEMENT IS FINALLY REACHED TO BE OF GREAT IMPORTANCE. IT IS PROPOSED THAT THE AGREEMENT SHOULD RUN INITIALLY FOR TEN YEARS AND BE RENEWED FOR A SIMILAR PERIOD THEREAFTER UNLESS SPECIFICALLY ENDED BY THE COUNCIL OF MINISTERS.

UK WELCOMES POLICING

THE BRITISH MINISTERS GAVE A PARTICULARLY WARM WELCOME TO AN AGREEMENT REACHED IN THE COUNCIL TODAY TO ESTABLISH AN EFFECTIVE SYSTEM OF POLICING TO BACK EC FISHERIES REGULATIONS - SOMETHING FOR WHICH BRITAIN HAS BEEN PRESSING FOR YEARS.

THE COUNCIL AGREED THAT A 45-STRONG EC INSPECTORATE BE ESTABLISHED WITH POWERS TO BOARD FISHING VESSELS, INSPECT LOG BOOKS, EXAMINE NETS, CHECK LANDING DECLARATIONS AND STOP ALTOGETHER THE CATCHING OF ANY PARTICULAR FISH STOCK IN CASES OF OVER-FISHING

THE AGREEMENT ALSO REQUIRES MEMBER STATES TO MAINTAIN THEIR OWN INSPECTORATES WHOSE OPERATIONS WILL BE MONITORED BY THE EC ENFORCEMENT BODY.

THE UK, SAID MR WALKER, HAD LONG CONSIDERED THAT THE PRESENT SYSTEM OF CONTROL WAS INADEQUATE AND URGED THAT THE COMMISSION SHOULD HAVE PROPER ENFORCEMENT POWERS.

THE SYSTEM AGREED TODAY WOULD ENTER INTO FORCE ON FINALISATION OF A COMMON FISHERIES POLICY, OR IF THIS WAS NOT SETTLED BY THE END OF THIS YEAR, WOULD ENTER INTO OPERATION ANYWAY ON 1 JANUARY 1983.

"AT LONG LAST WE HAVE ACHIEVED A PROPER SYSTEM OF ENFORCEMENT AND THIS IS A MAJOR AND IMPORTANT OBJECTIVE FROM THE POINT OF VIEW OF THE BRITISH FISHING INDUSTRY," MR WALKER DECLARED.

CONSERVATION REGULATION AGREED

MR WALKER SAID MINISTERS HAD ALSO AGREED A CONSERVATIONS REGULATION WHICH WOULD CONTINUE IN FORCE UNTIL DECEMBER IN ANY EVENT, AND PRESUMABLY WOULD BE ENSHRINED PERMANENTLY IN THE CFP WHEN THIS WAS FINALISED.

THE REGULATION WAS COMPLETELY IN LINE WITH WHAT BRITAIN REQUIRED IN TERMS OF NET SIZES AND OTHER CONSERVATION MEASURES, HE ADDED.

SETTLEMENT IN SIGHT

THE NEXT MEETING OF THE FISHERIES COUNCIL IS EXPECTED TO BE HELD WITHIN A FORTNIGHT, AND DESPITE STRONG DANISH RESERVATIONS, INFORMED SOURCES HERE BELIEVED THAT A SETTLEMENT OF THE EC'S LONG-STANDING DISPUTE OVER FISHERIES, WHICH HAS DEFIED RESOLUTION FOR MORE THAN FIVE YEARS, MAY NOW BE IN SIGHT. (LPS)

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10 DOWNING STREET

From the Principal Private Secretary

MR HANCOCK

CABINET OFFICE

COMMON FISHERIES POLICY

I have shown the Prime Minister your minute of 11 June reporting the present state of affairs on the negotiations on the Common Fisheries Policy, and she has noted that there is a possibility of reaching a settlement before the Belgium Presidency expires at the end of this month. She looks forward to hearing at Cabinet on Thursday of this week a report from Mr Walker on tomorrow's meeting of the Fisheries Council.

C. A. WHITMORE

14 June, 1982

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Qz.02609

MR WHITMORE

COMMON FISHERIES POLICY

1. At a meeting with the French Fisheries Minister earlier this week the Minister of Agriculture was able to reach a bilateral understanding on access. This is the culmination of an intensive series of bilateral negotiations about access and it could pave the way to substantial progress being made at the Fisheries Council next Tuesday. There could then be a real possibility of reaching agreement on the Common Fisheries Policy (CFP) under the Belgian Presidency later in the month. No one is very happy about leaving the CFP negotiations to the tender mercies of the Danes.
2. If events develop favourably, Mr Walker may need to consult his colleagues quickly on whether to aim for a settlement this month or to continue the struggle under the Danish Presidency.
3. There is no need for the Prime Minister to take a view until the outcome of next week's Council is known and the Minister of Agriculture has made a judgement of what might be negotiable. But she may find it helpful to be aware of the state of play.
4. On access, the deal that is emerging looks as though it could be defended as consistent with both the election manifesto and the Prime Minister's statement of 26 April 1979. (copies are annexed). The industry will of course be disappointed but MAFF and Scottish Office officials are hopeful that their Ministers will be able to persuade the industry's representatives to acquiesce (even though with some understandable grumbling).
5. Quotas are more difficult. The Commission will not decide finally on its proposals until Monday and Mr Walker and his officials are now engaged in an intensive process of lobbying to persuade the Commission to put forward a reasonable deal for the United Kingdom. So far the omens are not very

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Prime Minister.

Tuesday's Council will show whether the bones of a deal are there, though no final decision will be reached at that meeting. Mr Walker will report to Cabinet on Thursday. Though a second Council will be needed.

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Wood and Mr Walker may decide that he cannot negotiate a sufficient improvement at a second Council in June. On the other hand, both he and Mr Younger are acutely aware that delay will not necessarily mean a better deal later on. They may therefore decide to recommend to their colleagues that the United Kingdom go for a quick settlement on the best negotiable terms even though they are a disappointment to the industry.

5. Looking at this problem from the perspective of the Government as a whole, the Prime Minister may attach importance to four separate reasons for trying to solve this long-standing problem in June:-

i. The CFP is of major political concern to Denmark but, unlike the United Kingdom, Denmark has no incentive to reach a settlement by the end of 1982. They may be tempted to try to hold the rest of the Community (and the United Kingdom in particular) to ransom during their Presidency.

ii. If the Belgian Presidency ends without a CFP agreement largely settled, there would thus be a strong probability that negotiations would drag on into 1983. Once the end-1982 deadline is passed and the derogations on access in the Treaty of Accession cease to run unless renewed, the negotiations would be likely to become overshadowed by legal uncertainties and recriminations. The resulting situation would be most unlikely to help the United Kingdom.

iii. From this September onwards the negotiations will be running in parallel with those on our budget problem; and some other countries might be tempted to link the issues to our disadvantage.

iv. The longer the dispute drags on, the greater the chance of it being an issue in the forthcoming general election.

6. No final view can or should be taken until the outcome of next week's Council is known. But the Prime Minister should be aware of the arguments in favour of making an all-out effort to sell a less-than-perfect package to the House of Commons, the industry and the country. There is some money in the Public Expenditure Survey for further aid to the industry in 1982 and this could help with the problem of securing the industry's acquiescence.

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an important role in meeting energy demand, together with a proper contribution from nuclear power. All energy developments raise important environmental issues, and we shall ensure the fullest public participation in major new decisions.

AGRICULTURE

Our agricultural and food industries are as important and as efficient as any that we have. They make an immense contribution to our balance of payments; they provide jobs for millions of people and they sustain the economy of the countryside. Labour have seriously undermined the profitability of these industries, without protecting consumers against rising food prices which have more than doubled during their term of office. We must ensure that these industries have the means to keep abreast of those in other countries.

We believe that radical changes in the operation of the Common Agricultural Policy (CAP) are necessary. We would, in particular, aim to devalue the Green Pound within the normal lifetime of a Parliament to a point which would enable our producers to compete on level terms with those in the rest of the Community. We will insist on a freeze in CAP prices for products in structural surplus. This should be maintained until the surpluses are eliminated. We could not entertain discriminatory proposals such as those which the Commission recently put forward for milk production.

The Uplands are an important part of our agriculture. Those who live and work there should enjoy a reasonable standard of life.

FISHING

The Government's failure to negotiate with our Community partners proper arrangements for fishing has left the industry in a state of uncertainty. The general adoption of 200-mile limits has fundamentally altered the situation which existed when the Treaty of Accession was negotiated. We would work for an agreement which recognised: first, that United Kingdom waters contained more fish than those of the rest of the Community countries put together; secondly, the loss of fishing opportunities experienced by our fishermen; thirdly, the rights of inshore fishermen; last, and perhaps most important of all, the need for effective measures to conserve fish stocks which would be policed by individual coastal states. In the absence of agreement, we would not hesitate to take the necessary measures on our own, but of course on a non-discriminatory basis.

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NEWS SERVICE

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

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

STATEMENT ON FISHING POLICY

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 British 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 European 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

we must have

- 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.

In addition our negotiating aims will be for:-

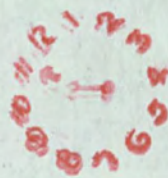
1. an adequate exclusive zone. ✓
2. a further considerable area of preferential access. ✓
3. a control system which enables us to police our own waters.
4. Britain must have a very substantial share of the total allowable catch which takes account of the fact that we are contributing most of the water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

11 JUN 1962



an important role in meeting energy demand, together with a proper contribution from nuclear power. All energy developments raise important environmental issues, and we shall ensure the fullest public participation in major new decisions.

AGRICULTURE

Our agricultural and food industries are as important and as efficient as any that we have. They make an immense contribution to our balance of payments; they provide jobs for millions of people and they sustain the economy of the countryside. Labour have seriously undermined the profitability of these industries, without protecting consumers against rising food prices which have more than doubled during their term of office. We must ensure that these industries have the means to keep abreast of those in other countries.

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1. an adequate exclusive zone. ✓
2. a further considerable area of preferential access. ✓
3. a control system which enables us to police our own waters.
4. 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

SUBJECT

ck Martin

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Fisheries Dept DSG

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cc: Amt
MAFF
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10 DOWNING STREET

From the Private Secretary

18 March 1982

COMMON FISHERIES POLICY AND 30 MAY MANDATE

The Prime Minister held a meeting at No. 10 on 17 March to discuss the Common Fisheries Policy and the 30 May Mandate. The Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Minister of Agriculture, the Secretary of State for Scotland and Mr. Hancock were present.

Common Fisheries Policy

The meeting had before it the Minister of Agriculture's minute of 11 March and the comments on it by the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer dated 16 March.

The Foreign and Commonwealth Secretary said that he was impressed by the arguments in the Minister of Agriculture's minute, but he thought it imprudent to make the link at the present time. He was not saying that we should in no circumstances make such a link, but he thought it could be dangerous for a number of reasons. If we secured a good solution to our budget problem it would cost the French a lot of money. They could not realistically be expected to make major concessions on both the budget and fish at the same time. The price fixing lever might thus be overloaded. Domestically, whatever the settlement, either the fishermen would say that their interests had been sold out because of the budget, or those with an interest in the budget would say the opposite. He was not convinced that the position at the beginning of 1983 was quite as serious as the Minister had argued. In the first place, we would be able to make it quite clear that we would not allow other Member States to fish up to our shores. Second, other Member States would not be at all happy about that result - for example, the French did not want the Spaniards to fish up to their shores. He thought therefore that the right answer was to see what could be achieved at the next Fish Council without making the link; make it quite clear to all concerned that we were not going to allow fishing up to our shores in 1983 whatever happened; and explore the possibilities of rolling over the present arrangements into 1983 so that we would be able to consider making a link with the 1983 price review.

/ The Minister of Agriculture

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The Minister of Agriculture said that he could see that adding fisheries to the present linkage would greatly complicate the negotiations and that this would be unwelcome to both the Foreign Secretary and the Chancellor. If it were the collective judgement that the link should not be made for that reason he would accept that view. But he felt it was right to point out to his colleagues just how difficult the situation at the end of the year would become. He was not at all sure that a rolling-over could be negotiated, since the other Member States did not have a clear incentive to agree to one. He did not believe that it was politically feasible to use the Navy to stop other countries' boats fishing in circumstances where, for the reasons explained in his note, prosecutions could not be secured. The French would take great delight in fishing in our waters after the end of the year and the resulting publicity would have serious political consequences.

The Secretary of State for Scotland said that the longer the negotiations on the Common Fisheries Policy went on, the more difficult it would become to persuade our industry to acquiesce. From that point of view, the sooner the negotiations could be brought to a climax the better. The position in January if no agreement had been reached would be extremely difficult. The Danes were already fishing within the 12 mile limit when they had no valid reason to do so; and they would almost certainly attempt to fish up to our shores as soon as the access provisions ceased to apply.

The Chancellor of the Exchequer said that a link with fish would damage the budget negotiations. The other Member States would not find it credible if we attempted to add fish to the linkage that we were already making. In the end there was a compulsion to get an agreement to the Common Fisheries Policy. He could not believe that the Community would wish to have an agreed policy of fishing up to the beaches - there was no precedent for such a thing. In his view legislation should be prepared for introduction if no agreement could be reached on a roll-over of the present access provisions so as to implement those provisions under domestic law. Such legislation would no doubt be criticised as contrary to the Treaty but in the last resort it would be better to incur such criticism than to permit fishing up to the beaches.

Summing up a short discussion the Prime Minister said that we could not make a link at the present time. The Minister of Agriculture should therefore prepare a paper analysing the ways of handling the fisheries problem on the assumption that no link would be made. This should include the Chancellor's suggestion for domestic legislation and any other possibilities that could be identified for increasing our leverage on the other Member States, such as retaliation and the use of arguments of national security to prevent entry into profitable waters.

30 May Mandate

The meeting had before them Sir Robert Armstrong's minute of 12 March covering a note by officials entitled "EC Budget Restructuring". After a brief discussion the conclusions in paragraph 18 of that note were approved.

/ I am sending copies

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-3-

I am sending copies of this letter to John Kerr (HM Treasury), Robert Lawson (Ministry of Agriculture, Fisheries and Food), Muir Russell (Scottish Office) and David Wright (Cabinet Office).

A. J. COLES

Brian Fall, Esq.,
Foreign and Commonwealth Office.

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Qz.02507

MR COLES

--- I attach a draft letter for you to send to record the outcome of yesterday's meeting. You told me that you were not happy about sending a letter that said the Prime Minister had approved the conclusions of the paper "EC Budget Restructuring". However, the other Ministers present explicitly confirmed that they were content and for operational purposes I think we need to know whether these conclusions are approved. I should therefore be grateful if you could show the Prime Minister the paper again and ask her if she is content that you should write as drafted below.

D.H.

D J S HANCOCK

18 March 1982

CONFIDENTIAL AND PERSONAL

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Type plan.

Draft ~~minute~~^{letter} from Mr Coles

To: Brian Fall Esq, Private Secretary/Foreign and
Commonwealth Secretary

cc: J O Kerr Esq, H M Treasury
R C Lowson Esq, Ministry of Agriculture, Fisheries & Food
A M Russell Esq, Scottish Office
David Wright, Cabinet Office

COMMON FISHERIES POLICY AND 30 MAY MANDATE

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Common Fisheries Policy

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4. The Minister of Agriculture said that he could see that adding fisheries to the present linkage would greatly complicate the negotiations and that this would be unwelcome to both the Foreign Secretary and the Chancellor. If it were the collective judgement that the link should not be made for that reason he would accept that view. But he felt it was right to point out to his colleagues just how difficult the situation at the end of the year would become. He was not

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PM/82/20PRIME MINISTER

A.J.C. 12/3

A.J.C. 1/3
f.a.Common Fisheries Policy

1. I have read Peter Walker's minute of 11 March about the state of play and prospects on the Common Fisheries Policy. I agree that we need to discuss this issue and to consider very carefully the arguments he advances for linking the CFP negotiation with this year's agricultural price settlement.

2. But I think we need to be aware that there are powerful arguments against our linking the two negotiations. It is very possible, I fear, that if we were to establish this link we should reduce our chances of effectively using agricultural prices to get an acceptable settlement on the budget. The agricultural price fixing is a valuable lever but we must not put on it more weight than it will bear. Our objective is to use it this year to get a satisfactory settlement on the budget. The ground has been well prepared for this. But to throw in fisheries as well, on the basis of a plainly artificial linkage, will seem excessive to our partners and will give them every incentive to look for ways of getting round the CAP prices lever. Politically it will be very difficult for them, and the French in particular, to agree to a deal which gives us satisfaction on both fish and the budget and which will lay them open to charges of giving in to us all along the line.

3. Nor do I believe that the judgement that has led us over the years to resist mainly French attempts to link fisheries with other issues has been wrong. The hard fact is that any CFP settlement will be criticised by the fishing industry in this country. But a settlement which is reached

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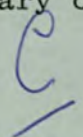


in a package with agricultural prices and the budget will be open to more damaging criticism, that we have sacrificed fisheries for the budget or agriculture, or per contra that we have given too much on prices or that we have got too little on the budget in order to secure a better deal on fisheries.

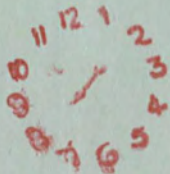
4. Before we reach any decision one way or the other on these matters, I think we need to be a good deal clearer about the prospects for making progress on the CFP on its own merits at the Fisheries Council which the Belgian Presidency are arranging for mid-April. That in my view will require an intensive programme in the weeks ahead of bilateral contacts with the Presidency and the Commission and also with those Member States principally concerned with the issue of access, in particular the French and the Irish.

5. Peter Walker is right to stress the need to clear our minds about the situation that could arise later in the year if the CFP negotiations were still continuing and decisive progress before the end of the year was not in prospect. I have no wish to question Michael Havers' judgement that, in the absence of a Community decision by the end of the year, the present arrangements based on the Accession Treaty will lapse. But I believe we should include in our contingency planning the possibility of securing a temporary roll-over of the existing access provisions.

6. I am copying this minute to the Chancellor of the Exchequer, the Minister of Agriculture, the Secretary of State for Scotland and to Sir R Armstrong.


(CARRINGTON)

0-11 MAR 1982



43



CONFIDENTIAL

Qz.02505

PRIME MINISTER

AD HOC MEETING 2.45 pm WEDNESDAY 17 MARCH 1982

There are two separate subjects to discuss at your meeting tomorrow with the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Minister of Agriculture and the Secretary of State for Scotland:-

(i) Fish.

(ii) The general handling of the 30 May Mandate negotiations: "EC budget restructuring".

2. I suggest that you take fish first because there will not be a lot of time and there is a difference of view on that issue to be resolved between Ministers.

* --- 3. Attached to this minute are separate Chairman's briefs on the two subjects. The one on fish describes the background to the problem more fully than in the note attached to the Minister of Agriculture's minute to you of 11 March. The brief on EC budget restructuring deals only briefly with the background as you are familiar with it.

D.H.

D J S HANCOCK

16 March 1982

* brief on EEC Budget filed on European Policy: Community Budget Pt 14

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PRIME MINISTER'S AD HOC MEETING: 17 MARCH

REVISION OF THE COMMON FISHERIES POLICY

Chairman's Brief

1. The Minister of Agriculture's minute of 11 March raises the question whether the UK should make a link between the negotiations on the Common Fisheries Policy (CFP) and those on the Mandate and CAP prices. We understand that both the Foreign Secretary and the Chancellor have doubts about this suggestion and they are both likely to minute you before tomorrow's meeting. But their minutes are not available yet. We shall submit further advice if necessary when the minutes are received.

BACKGROUND

2. Although progress has been made on conservation, marketing and third country issues, the key CFP questions of access and national quotas remain unresolved. The derogations on access laid down in Articles 100 and 101 of the Accession Treaty expire at the end of 1982; if no new measures are agreed there will be no legal basis for our restricting the access of other member states to our coastal waters.

Situation in 1983 if no agreement

3. Para 10 of the Annex concludes that unilateral action would be needed if the UK were to maintain restrictions on access to coastal waters. The alternatives to unilateral action, set out in para 17, would be "to do nothing" or to "settle for what we could get". The latter is likely to mean, in practice, a short

/term

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term rolling forward of the existing derogations. While such a measure is unlikely to be agreed without some negotiating cost to the UK in terms of quotas, a six month prolongation could open the possibility of linkage to other decisions in 1983, perhaps to the price fixing.

Prospects for reaching a settlement satisfactory to the UK Industry

4. To meet the industry's needs a satisfactory agreement would have to provide inter alia for preferential rights of access for British fishermen within the 12 mile coastal belt and an area of preference outside 12 miles (a "preferential box"). In bilateral negotiations last autumn the French indicated that they would be prepared to accept an arrangement which in the context of an otherwise satisfactory package could have been the basis of an acceptable deal on the 12 mile coastal belt, around all of the UK except off the west coast of Scotland. They were unable to envisage arrangements off the north west coast of Scotland and the adjacent islands which the Secretary of State for Scotland could have accepted. They also made it clear that nothing of substance could be provided in the way of a preferential box outside 12 miles off North Scotland except at the cost of further weakening the preference for British fishermen within 12 miles.

5. Though it is not spelt out in his minute, the Minister of Agriculture appears to have concluded that this key part of the negotiation cannot be satisfactorily resolved without some further leverage being exerted on the French.

6. We understand that the Foreign Secretary does not accept that all hope of a CFP settlement reached on its own merits should yet be abandoned, and he is likely to recommend that the United Kingdom should undertake intensive bilateral contacts with the Presidency, the Commission, the French and the Irish before any decision in favour of linkage is taken.

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Procedure for creating linkage

7. If a linkage were thought desirable, one way of establishing it would be for you to state at the March European Council that the Community had three issues which required prompt resolution, the Mandate, CAP prices and the CFP, and that it was essential for the UK that they be dealt with quickly and be concluded together. Another would be for the link to be created at, or after, the Fisheries Council in April. But the later any link were made the greater would be the risk that member states would react adversely and seek ways round the CAP prices lever.

8. The effectiveness of the CAP prices lever as a means of producing an acceptable conclusion to the CFP negotiations may anyway be open to doubt: the French are likely to want to settle CAP prices, but may introduce national aids if provoked too far; and the Danes, who have the major conflict of interest with us on CFP quotas, may be able to satisfy their farmers temporarily with a green rate change.

9. The other arguments against a link are that by adding fish to the Mandate/CAP prices negotiations we would make it more difficult for our partners to give us satisfaction on all three elements in the same package and more likely that our fishing industry will criticize the outcome as a sell-out. The Chancellor of the Exchequer will equally be concerned that the addition of fish to the Mandate negotiations will make it even harder to bridge the substantial gap between our objective on the budget and what the other member states are currently prepared to give us.

HANDLING

10. You will wish to invite the Minister of Agriculture, the Foreign Secretary and the Chancellor (as appropriate) to speak to their minutes. You might then direct the discussion to the following issues:-



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- (i) What are the prospects of reaching an agreement on the CFP acceptable to the UK industry, without linkage? Would they improve in the autumn under the Danish Presidency, given their interest in obtaining a substantial share of the quotas?
- (ii) If in December no agreement had been reached, what are the chances of negotiating an acceptable short-term rolling forward of the access derogation arrangements?
- (iii) How could a linkage be effected, if it were decided?
- (iv) What are the arguments for and against a link with the Mandate/CAP prices?

CONCLUSIONS

11. Depending on the discussion you might conclude:

- (a) Linking the CFP to the Mandate and CAP prices would be likely to reduce the level of settlement we could attain on the budget, could overload the leverage available to us through the CAP prices and cause other member states to take action to undermine its effect.
- (b) But no final decision on such a linkage should be taken until a vigorous effort had been made in bilateral negotiations with the French and Irish and the Commission and the Presidency.
- (c) The Minister of Agriculture and the Secretary of State for Scotland should initiate such negotiations urgently and should report back with their proposals for handling the negotiations at the April Fisheries Council and subsequently.
- (d) When drawing up their proposals, the Minister and Secretary of State should consider what could be done to put pressure, other than linkage with the Mandate and 1982 price fixing, on the other member states and the Commission to complete the CFP negotiations before the access derogations expire; and, if that were not possible in time, to agree to an extension of the status quo into 1983.



A-J-C. 17/3.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

h-a.

WR 17/3

PRIME MINISTER

COMMON FISHERIES POLICY

I have seen Peter Walker's minute of 11 March.

2. This is clearly an issue we need to discuss soon. But I must make it clear that I have the gravest doubts about seeking to link the CFP negotiations with those on agricultural prices and the budget. The budget and agricultural price negotiations are now entering a delicate phase. It is already clear that we will have the greatest difficulty in persuading our partners to accept that the UK should make only a very modest net contribution to the Community budget. If at this stage we were now to insist that the CFP should also be brought into the package, it is quite probable that negotiations would come to a standstill and that we might lose control of the ensuing crisis. Even if the negotiations continued, there is a serious risk that we would end up with a solution on fisheries no better than we would be able to obtain in isolation, but that, merely as a result of having made the link, we would either have to accept, or appear to have accepted, a substantially worse settlement on the budget. In my view this is not a risk we can take.

3. Although I have not been in close touch with the negotiations on fisheries, I must say that I am not persuaded by Peter Walker's view that the threat of "fishing up to the beaches" will necessarily weaken our negotiating position at the end of the year. The fact is that, whatever the Treaty says on this point, there has never been "fishing up to the beaches" in the Community either before or after our accession. My guess is that other Member States, including the French, would think long and hard



before taking the major step of trying to exercise the Treaty right. It should not be all that difficult to convince them that we would be obliged by the domestic political pressures from our own industry to prevent their boats from fishing up to our beaches. Once this is brought home to them the other Member States should be willing, if it becomes necessary, to find a temporary solution at the end of 1982 which would allow the CFP negotiations to be carried through to completion.

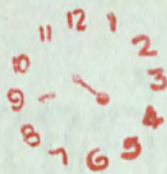
4. I am sending copies of this minute to the Foreign Secretary, the Minister of Agriculture, the Secretary of State for Scotland and Sir Robert Armstrong.

A handwritten signature in black ink, appearing to be "G.H.", written over a faint watermark of the word "CONQUEROR".

G.H.

16 March 1982

06 MAR 1982



COAST GUARD



Fisheries Industry (C)

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON S.W.1



From the Minister

CONFIDENTIAL

PRIME MINISTER

M

Prime Minister

This will be taken at a restricted meeting of Ministers next Wednesday to discuss policy on the Mandate. You may like to read over the weekend.

A.J.C. $\frac{12}{3}$

A. J. C.

REVISION OF THE COMMON FISHERIES POLICY

We could face a major crisis in the European Community on the Common Fisheries Policy in the latter months of this year. The Secretary of State for Scotland and I feel that we should bring this matter to the attention of colleagues in good time in order that we may examine all of the options that are available to us and consider our tactics before pressure increases.

There may be advantage in taking an early initiative by making it clear that a Common Fisheries Policy needs to be concluded in the context of the Mandate/Agricultural Prices package. A link has already been made with the Mandate in the 30 May declaration, and colleagues might conclude that the only hope of obtaining a fisheries policy satisfactory to our industry is to make such a link.

We recognise the problems in coming to this conclusion. The Annex to this paper, with which the Secretary of State for Scotland agrees, clearly sets out that the alternatives available in December 1982 have perhaps greater disadvantages.

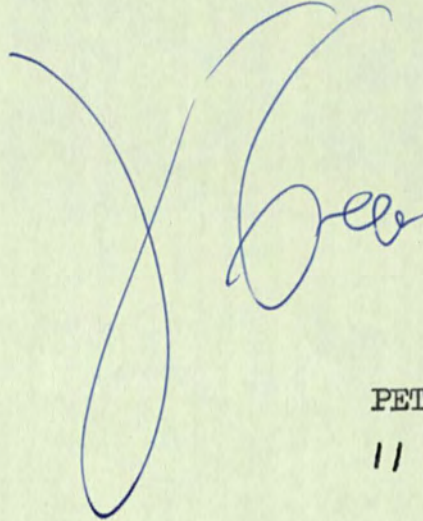
Certainly current indications from the Commission are that they have no confidence in obtaining a settlement other than in the context of the Mandate package.

/I am sending copies ...

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CONFIDENTIAL

I am sending copies of this minute and enclosure to the Foreign and Commonwealth Secretary; the Secretary of State for Scotland; Chancellor of the Exchequer and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to read 'P Walker', with a large, stylized flourish on the left side.

PETER WALKER

11 March 1982

CONFIDENTIAL

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ANNEX

REVISION OF THE COMMON FISHERIES POLICY (CFP)

RECENT HISTORY

1. Since May 1979 we have been instrumental, notably during our Presidency, in obtaining important advances on conservation where we have now secured a consensus on measures which our predecessors had adopted nationally and illegally; on marketing where we have secured a new regime which is greatly improved from our point of view; on third country issues which we have got onto a much more systematic basis, and on other matters such as control. But these, though significant, are second order issues. Less progress has been made on the nub of the matter - access and quotas. It is these issues which are meant when reference is made to a "CFP settlement".

BACKGROUND

2. An acceptable fisheries solution remains a major goal. We are heavily committed politically to securing one; the absence of one encourages the catching sector in their financial demands on government; the industry needs an end to the present uncertainty; and the very awkward situation with which we would be faced after the expiry of the access provisions in the Act of Accession at the end of this year (see below) provides a real incentive to reach a solution.

3. It is important for us to achieve a fisheries settlement, but it must be an acceptable one. We have committed ourselves, especially in the 1979 Election campaign, to securing certain objectives and there would undoubtedly be a very severe adverse public and Parliamentary reaction if we accepted a deal that clearly did not measure up to our past assurances. To do so would give our political opponents opportunities to whip up anti-Community feelings to our disadvantage. Given this constraint, it is quite possible that an acceptable outcome cannot be found in the Fisheries Council over the next few months.

THE PROSPECTS

4. The key to a settlement is access. The legal position is that access to all waters under the sovereignty or jurisdiction of Member States is open to all vessels flying the flag of and registered in a Member State except for the areas within 6 miles of baselines and certain

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areas between 6 and 12 miles as provided for in Articles 100 and 101 of the Act of Accession respectively which are valid until 31 December 1982. In August 1979 the Law Officers agreed

"... if the Community does not take a decision on access to waters by 31 December 1982, the principle of equal access will apply throughout the waters of Member States ... This would mean in theory that vessels from all Member States could fish in all the maritime waters subject to our sovereignty or jurisdiction - as it is commonly called 'up to the beaches'."

They also agreed that, although Article 103 of the Act of Accession provides for provisions to be agreed to follow Articles 100 and 101, if no decision were taken by the terminal date (ie 31 December 1982):-

"... The Community's powers [to take a decision] will run on even if the terminal date passes; but the transitional derogations will expire automatically on 31 December 1982. In that event Community law ... will revert to ... equal access to and use of inshore fishing grounds by fishing vessels of all Member States."

5. Since 1979 the European Court has held in a fisheries case (paragraph 29 of the judgement in case 804/79) that equal access to fish stocks for all Community fishermen flows directly from Article 7 of the EEC Treaty. It is possible that the Court would hold, if asked, that the arrangements which could legally be agreed under Article 103 of the Act of Accession could not go further by way of derogation from the Community "norm" (ie equal access) than the arrangements set out in Articles 100 and 101. This would not permit an acceptable settlement. It is probable that the Court would hold that any derogations could only be temporary, since they would be regarded as a continuation of the transitional arrangements originally provided for in the Act of Accession.

6. The legal advice will be particularly significant if there is no agreed solution in the Council since in those circumstances the issue is much more likely to be referred to the Court for a ruling.

7. It will be recalled, against this background, that we are committed (for example by our statement of 26 April 1979) to securing "an adequate exclusive zone" (which all informed observers have taken

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to mean 12 miles from baselines) and outside that "a further considerable area of preferential access".

8. In these difficult circumstances we have sought to make progress on access bilaterally with the French, the main antagonists on this issue. We have moved from the concept of a fully exclusive zone to permitting some exceptions based on historic rights. We did achieve some movement from the French towards the end of last year, but were not able to come to an overall solution. Very recently there have been indications that the Commission may put forward a revised proposal. But experience indicates that this is unlikely to be acceptable to us; even if it were, the French, who are in a strong legal position and therefore have no real incentive to make concessions in order to reach agreement, would be unlikely to accept it in isolation.

9. Public attention has already begun to focus on the position at the end of the year and we were recently obliged to state that there is no question of our allowing fishing "up to the beaches" from 1 January 1983.

10. We are advised that, in the absence of agreed action under Article 103 of the Act of Accession, unilateral national action would be necessary to maintain any restriction on access round our coast after 31 December 1982. Since any such action would almost certainly be rapidly found to be incompatible with Community law probably by the United Kingdom Courts but if not by the European Court of Justice, we would have no means of prosecuting offenders unless we took the very serious step of amending the European Community Act 1972 by primary legislation. Such a course would obviously raise very grave constitutional and political issues.

OTHER ISSUES.

11. The Fisheries Directorate-General of the Commission have delayed putting forward even to the Commission the 1982 proposals on total allowable catches (TACs) for the EC and on national quotas until after the Greenland referendum. Quotas are possibly the most important aspect of the fisheries negotiations in practical terms and we are fully committed to securing a good deal. We have always maintained, and, if we are to have any hope of overall success, must continue to maintain, that access and quotas must be settled together.

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12. In the absence of a settlement, there would be serious risks for fishery stocks. Though the Community fisheries agreements with third countries provide a means of setting an overall limit on some catches, thereby providing a limited degree of protection for the stocks concerned, there would be no agreement on TACs for many stocks, no agreement on national quotas for any stocks and probably no agreement to apply uniform control measures which are needed to ensure that the quotas are in fact observed.

13. Some fish stocks, for example mackerel, are experiencing a sharp decline in abundance because of the continued absence of effective catch limits and controls. The continued absence of a settlement on quotas therefore threatens a collapse of some stocks and a serious decline in others which could at best only be reversed by sharply cutting back catches for a number of years, with serious implications for the financial viability of the fleet.

14. The absence of a CFP settlement has undoubtedly encouraged and strengthened the industry in their bids for special aid. We have had to provide £42 million over the last two years. Another claim has been submitted and is now under consideration. These annual claims pose harsh political choices.

15. Politically it is impossible to resist the industry's claim for aid when we have failed to obtain a Common Fisheries Policy agreement. It is only when we know the details that we will be able to decide on the restructuring of the fleet.

16. Any impression that we are abandoning the Common Fisheries Policy prior to obtaining a secure future would have major political repercussions particularly in Scotland and the South West.

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THE OPTIONS

17. For the reasons set out above, if we continue on our present course we are unlikely to find a settlement in the Fisheries Council. In the absence of a settlement the political temperature is likely to rise as 1982 progresses with growing demands for unilateral action. In these circumstances we would be faced with some very unattractive options at the end of the year:-

- (a) to do nothing, which would face us with fishing "up the beaches". This would clearly be unacceptable politically and indeed we have already been obliged to state that we will not allow it. Quotas would also remain unsettled, with the possibility of a serious decline in some fish stocks;
- (b) to take unilateral national action restricting access to our waters. This would, as explained above, involve amending the European Community Act and would gravely prejudice our position in the Community; quotas would also remain unsettled on this option with the same implications for the stocks as on alternative (a);
- (c) to settle for what we could get. At best this would provide for a maintenance of the status quo on access and probably a poor deal on quotas, a settlement which would be universally regarded as a failure on our part. As time advances it might, because of the deterioration of our negotiating position, be difficult to secure even that much.

18. On all these options we would probably face increasing demands from the catching industry for financial support. None of them is at all appealing. In the Community framework there is only one other option - to make a link with other issues. If the matter is left until the end of the year, we are likely to find that our room for manoeuvre on other issues is in any case limited by our needs on fish. If, therefore, we do not make a link with other issues when it suits us, others are likely to do so when it suits them.

26 February 1982

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fishing incl JR

c

MR. HANCOCK
HM TREASURY

THE COMMON FISHERIES POLICY AND THE 30 MAY MANDATE

Thank you for your minute of 2 March. The Prime Minister is content for Mr. Walker's paper to be circulated to the Chancellor and the Foreign Secretary and to be discussed at the ad hoc meeting on 17 March with Mr. Younger present.

JC

3 March 1982



CONFIDENTIAL

Qz.02480

MR COLES

My

mt

Prime Minister 1

Content for Mr Walker's paper at A to be circulated to the Chancellor, and the Foreign Secretary, and discussed at the ad hoc meeting on 17 March, with Mr Younger present?

THE COMMON FISHERIES POLICY AND THE 30 MAY MANDATE

*LH
2/3*

A 1. In his minute to Mr Wright of 24 ~~December~~ 1981 Mr Rickett recorded that the Prime Minister would prefer to handle fisheries questions in OD rather than in a special MISC group of Ministers. The Minister of Agriculture has accordingly prepared a paper which he intended for circulation to OD.

B In it he asks his colleagues to consider whether it would be advisable to link the settlement of the Common Fisheries Policy to the 30 May Mandate and the agricultural price fixing. It seems probable that both the Foreign Secretary and the Chancellor will have reservations about this suggestion (which, as you will see, Mr Walker does not make in categorical terms). The link we are already planning to make between the settlement of the budget problem and the price fixing will not be free from difficulty and to add fish as well could significantly increase the difficulties and the risks. I understand that the Foreign Secretary will be commenting on Mr Walker's paper and is likely to propose a different way of handling the negotiations on fish.

2. An ad hoc meeting has been arranged to discuss the 30 May Mandate at 5.30 pm on 17 March. The Foreign Secretary, the Chancellor and the Minister of Agriculture are to attend. Given the clear connection between Mr Walker's paper and



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the handling of the Mandate and price fixing, it would seem appropriate that all three subjects be discussed at the same meeting. If the Prime Minister agrees, we shall therefore arrange for the Minister of Agriculture's paper to be converted into a minute and circulated only to those colleagues attending the 17 March meeting.

3. The Secretary of State for Scotland has given his name also to Mr Walker's paper and it would therefore be necessary to invite him to the 17 March meeting as well.

4. I should be grateful to know whether the Prime Minister agrees that we should make arrangements accordingly. Mr Walker has been consulted and is, I understand, entirely content with what I have suggested above.

D.H.

D J S HANCOCK

2 March 1982

CONFIDENTIAL

Fishery Ind
VLB

MR. WRIGHT
CABINET OFFICE

Handling of Community Fisheries Questions

The Prime Minister has seen Sir Robert Armstrong's minute to John Coles of 23 December, reference A07019. The Prime Minister is not happy with the suggestion that a new MISC group should be set up to handle Community fisheries questions. She would much prefer these matters to be dealt with in OD.

W F S RICKETT

24 December 1981

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GR

Ref: A07019



CONFIDENTIAL

Prime Minister

Agree to X & Y below?

MR. COLES

*Don't want to
set up new groups.
We will deal with them
in 87.
AM 23.
12*

Handling of Community Fisheries Questions

Until now, and apart from two discussions at OD in October 1979 and March 1981, decisions on issues arising from the Common Fisheries Policy negotiations have been reached at Ministerial level in restricted ad hoc meetings chaired by the Prime Minister.

2. These arrangements, supplemented from time to time by Ministerial correspondence, have worked well until quite recently. But two events in the last few weeks suggest to me that it would be timely to review the efficacy of our co-ordination arrangements in this field. The first was the visit by the Secretary of State for Scotland to Brussels on 1st December for talks with Commissioner Contogeorgis; the second was the Minister of Agriculture's decision to cancel the Fisheries Council which had been fixed for 14th December. Neither was discussed by Ministers collectively in advance, a fact which in the first case has led the Private Secretary to the Foreign and Commonwealth Secretary to register Lord Carrington's concern in writing - a copy of his letter of 21st December is attached. Both have given rise to misunderstandings with one or more of our partners.

3. A further and more substantive reason for reviewing the present co-ordinating machinery for CFP matters is that it must now be very probable that the fisheries negotiations will get caught up in the next phase of the mandate negotiations: indeed one could be forgiven for wondering whether the Minister of Agriculture is trying for some reason to achieve that result. It is just possible that further bilaterals with the French could open the door again to an early and separate settlement, but it seems much more likely that the French will feel that the CFP gives them a bargaining counter to use against us at or before the March European Council. As such the Prime Minister might be personally involved in a delicate and sensitive trade off between our budgetary, agricultural and fisheries objectives. By the same token the Chancellor of the Exchequer would also have a clearer interest than now in the fisheries aspects of the negotiations.



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4. For these reasons, I believe that it might be prudent to set up new machinery for handling Ministerial discussion of fisheries questions in the months ahead. I do not think that either OD or OD(E) offer an appropriate forum for discussion of these matters. Both are too large and do not include among their membership the Secretary of State for Scotland; and I assume that OD(E) should in any event be ruled out on the grounds that the Prime Minister would wish to continue to chair these discussions herself. What seems to be needed therefore is a small MISC group of Ministers consisting of the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Minister of Agriculture, and the Secretary of State for Scotland with the Prime Minister in the chair. If it was thought desirable, the membership could be extended to include the Lord Privy Seal and the Minister of State at the MAFF (Mr. Buchanan-Smith).

5. I should be grateful to know whether this idea, or some variant of it, commends itself to the Prime Minister. In that event I will put the necessary procedural arrangements in hand.

Robert Armstrong

23rd December 1981

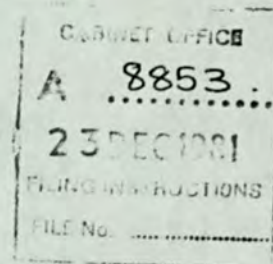
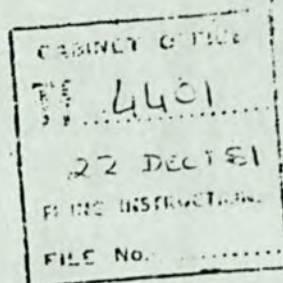
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Foreign and Commonwealth Office

London SW1A 2AH

21 December 1981



Dear Russell,

Lord Carrington understands from a Paris telegram that, following Mr Younger's talks in Brussels, Mr Contogeorgis had so misrepresented the British position that the French were led to say that the British were making un-negotiable demands, and that there was no prospect of progress on the major CFP issues at the Council then due to be held on 14 - 16 December. Given everything we have done to try and keep in contact with the French on fisheries, and to avoid the blame for any breakdown in negotiations, it was a pity that this misunderstanding should have arisen.

Lord Carrington well understands that there is a limit to what we can do to prevent this kind of distortion of statements by British Ministers. But he does feel that it is important that the FCO should be given the normal advance notice of visits of this kind to Brussels and elsewhere; he understands that there was no consultation about the visit outside the Fisheries Department. Fisheries questions are too important and too sensitive in relation to other aspects of our European policy to be treated in isolation; however hard we try to prevent formal linkage from being established, they are inevitably seen by our partners as being closely bound up with other areas of Community activity, and we cannot maintain a coherent approach to the whole range of Community issues unless this Department is fully informed and consulted about our actions and intentions.

We should be most grateful if you could keep us in touch about any further talks you may have.

Yours ever,

(F N Richards)
Private Secretary

A M Russell Esq
PS/Secretary of State for Scotland

Sub

MR. WRIGHT
CABINET OFFICE

EUROPEAN COMMUNITY: FISHERIES

The Prime Minister has seen and taken note of Sir Robert Armstrong's minute to her of 26 October on this subject. As you know, I have asked that a suitable passage be included in the brief for the Prime Minister's first meeting with M. Thorne in order that, if she wishes, she can raise the question of the powers of the Commission.

M. O'D. B. ALEXANDER

CS

30 October 1981



cc Press
meoBA
MAP

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

From the
Minister of State

M Pattison Esq
Prime Minister's Office
10 Downing Street
London SW1

Told MAFF that we
we content, subject
to confirmation of
dates at the end
na MAP 29/x
29 October 1981

Dear Mr Pattison

COUNCIL OF FISHERIES MINISTERS: 27 OCTOBER 1981

I attach a copy of the statement which
Mr Buchanan-Smith hopes to make to the House
today. I would be grateful for immediate
clearance.

I am copying this letter to Mr Ingham; Mr Heyhoe
(Leader of the House's Office); Mr Maclean
(Whip's Office, Commons); Mr Pownall (Whip's
Office, Lords); Mr Wright (Cabinet Office);
Mr Buckley (Chancellor of the Duchy of
Lancaster's Office), and to private secretaries
of the other Agriculture Ministers and members
of the OD(E).

Yours sincerely

Sarah Nason
Private Secretary

FISHERIES COUNCIL MEETINGS, 29 SEPTEMBER AND 27 OCTOBER

STATEMENT FOR MINISTER OF STATE (COMMONS)

With permission Mr Speaker, I wish to make a statement about meetings of the Council of Fisheries Ministers.

Since I last reported to the House on the Common Fisheries Policy negotiations, there have been two meetings of the Council of Fisheries Ministers under the Presidency of my Rt Hon Friend, the Minister of Agriculture, Fisheries and Food. My Rt Hon Friend, the Secretary of State for Scotland and I represented the United Kingdom.

At the first meeting, on 29 September, the Council reached agreement on a revised marketing system which included three important elements: first, a more effective and speedier method to protect fishermen from low priced imports from countries outside the Community; second, revised tariff arrangements for herring so that Community processors will be encouraged to take supplies of herring caught by United Kingdom fishermen; and third, to bring within the marketing arrangements additional species of fish, including lobsters and salmon.

On conservation, the Council decided to continue the present measures without limit of time.

It was agreed to renew for a further year financial assistance for the construction and modernisation of fishing vessels. This will be of considerable assistance to United Kingdom fishermen.

The Council also agreed to a number of external arrangements including a long-term framework agreement with Canada and reciprocal arrangements for 1981 with the Faroes and Sweden.

/This meeting was an

This meeting was an important step forward in two respects. First, the agreements on marketing, on conservation and on structural grants are of considerable value in themselves to the United Kingdom fishing industry. Second, the resolution of all these matters has cleared the way for a further attempt to settle the remaining issues on the Common Fisheries Policy. The main purpose of the second Council meeting, on 27 October, was therefore to prepare for this.

At that meeting I confirmed the United Kingdom's position on access, quotas, structures and control. The Council agreed to make a real attempt to reach a comprehensive settlement at the next meeting on 30 November and 1 December.

There are still major outstanding problems, but the opportunity to reach a settlement has been established.



(2)

Prime Minister.

CONFIDENTIAL

MR. ALEXANDER

not

To note, I have asked the F.W. to put a suitable passage in the brief for your meeting with A. Brown. You can decide at the time whether or not to draw on it -

European Community: Fisheries

The Lord Privy Seal has now replied to Mr. Rickett's letter of 13th October recording the Prime Minister's concern lest, in the current fisheries case, we should allow a fundamental shift in the balance of power between the institutions to occur by default. Mr. Gomersall's letter of 21st October to Mr. Rickett refers.

2. You might find it helpful to have some further information about the two non-fisheries cases mentioned in the eighth paragraph of Mr. Gomersall's letter as examples of issues on which the United Kingdom has taken legal action in the European Court in an attempt to curb the Commission's ambitions. I attach a factual note on the cases in question.

3. These two cases and the fisheries issue itself illustrate a more general problem, namely the conflict which often occurs between our desire on the one hand to limit the Commission's competence on legal and constitutional grounds and our wish on the other to see it exercised and even extended in ways that would benefit the United Kingdom's substantive interests in a particular field. There is the further complication that any legal challenge to the Commission can be mounted only in relation to a specific case, so that it may be difficult to address by this means more fundamental issues of general principle; and we have in any case to take account of the European Court's tendency to interpret the Treaties in a way that extends Community competence at the expense of national competence.

4. When OD(E) considered this issue shortly after the Government came into office (OD(E)(79) 1st Meeting, Item 1) it decided that it was inconsistent with the Government's commitment to the Community to oppose all extensions of Community competence on principle; instead we should tackle each proposal on its intrinsic merits. In some cases, this may simply mean the exercise of a power which, while clearly legal, has not previously been used. In others it



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may be a power whose legal basis is questionable. The Commission may have a natural tendency to want to extend its scope, though as the Three Wise Men pointed out, it has in recent years in fact lost considerable influence to the Council. The United Kingdom and the other member states will in turn resist any encroachment that they regard as dangerous, using legal or political means as the circumstances require.

5. In the immediate fisheries context, the Prime Minister may feel in the light of the Lord Privy Seal's reply and the earlier advice from the Law Officers that the necessary steps have been taken to safeguard our interests, short at least of the high level political approach recommended in the penultimate paragraph of Mr. Gomersall's letter. If the Prime Minister sees merit in tackling M. Thorn herself as proposed, you may wish to reply accordingly.

Robert Armstrong

27th October 1981

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NOTES ON THE ARTICLE 90 AND STAPLE DAIRY PRODUCTS CASES

Article 90

The Article 90 case was discussed in the Cabinet on 18 September 1980 (CC(80)33rd Conclusions Item 4). It arose from the adoption by the Commission of a Directive under Article 90 which sought to bring greater transparency into the financial relations between member states and their nationalised industries. Once it comes into force on 1 January 1982 it will, unless annulled by the Court, enable the Commission to examine these financial relations to establish whether any national aids had been granted contrary to the provisions of the Treaty. Given the relative openness of our own public sector financing procedures the United Kingdom would expect to gain on balance from the implementation of this Directive, which is primarily aimed at the covert subsidies provided by France and Italy to their industries. The Cabinet nevertheless decided that the United Kingdom should challenge the vires of the Directive in the European Court on the grounds that the Commission had exceeded their authority and assumed a responsibility which was the preserve of the Council. France and Italy have initiated similar proceedings, though for different and obvious reasons. The Court's judgement is due before the end of the year.

Staple Dairy Products

The Staple Dairy Products case was considered in OD(E) on 3 July 1981 (OD(E)(81) 9th Meeting). It stemmed from an attempt by the Commission to assert a power to take emergency action to fill a legal vacuum. In March 1980 the United Kingdom refused to agree to the prolongation of a Council Regulation on Monetary Compensatory Amounts (MCAs). The Regulation in question lapsed and a new Council Regulation was adopted

three weeks later. But the Commission issued a Commission Regulation establishing rules on MCAs for the period between the expiry of the old Council Regulation and the entry into force of the new one. They based their action on the thesis that the Commission had an inherent power to legislate to plug a legal gap arising from the failure of the Council to take a decision. The case is before the European Court on a reference from the High Court, in which Staple Dairy Products are suing the Intervention Board for Agricultural Produce. OD(E) decided that the United Kingdom should submit observations arguing that no hiatus had in fact existed, because previous Regulations governing MCAs remained in force and were sufficient to regulate the matter; and contending that, if these arguments were not upheld, the exercise of the Commission's power should be subject to a number of conditions.

Ministers' main preoccupation was to avoid any judgement of the Court which would tend to confirm or extend an inherent Commission power to act in a legal vacuum. At the same time they recognised that to argue openly against such a power might deprive the United Kingdom in future of the ability to press for unilateral Commission action even where such action was in our interest. The oral hearings on this case are likely to take place around the turn of the year; a judgement should follow shortly thereafter.

CONFIDENTIAL

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LAD
CO

26 October 1981

EC Fisheries

The Prime Minister has seen and taken note of your letter of 20 October to Willie Rickett on this subject.

I am sending copies of this letter to the recipients of yours.

MA

S.J. Gomersall, Esq.,
Lord Privy Seal's Office.

MA

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

20 October 1981

P. Amster

(2)

Dear Sir,

EC FISHERIES

Paul

You asked for advice on whether our failure to challenge the Commission's arrogation to itself of powers in the recent fisheries case might create a damaging precedent which the Commission could exploit more widely; and whether the possibilities of mounting a legal challenge on the fundamental question of the assumption of powers by the Commission in the absence of a Council decision could be investigated. The Lord Privy Seal entirely agrees that any general attempt on the part of the Commission to enlarge their power at the expense of the Council would be unacceptable.

On the first point we have never been in any doubt that the Commission's position in this fisheries case must be contested. The Minister of Agriculture did so as soon as the Commission asserted their claim at the July Fisheries Council and our rejection of the Commission's position has been formally reaffirmed in all our subsequent written dealings with them on this subject.

Furthermore, Lord Carrington made it clear to M. Thorn in the margins of the informal meeting of Foreign Ministers at Brompton Hall on 5-6 September that the Commission risked having a major constitutional row on their hands if they pressed their point of view. In August we informed the other Member States of our position. None has dissented; most have conveyed to the Commission similar reservations to our own.

It is significant that, despite their claims in July, M Thorn made no effort to defend the Commission's attitude when Lord Carrington spoke to him in September. Nor have the Commission pursued that line of argument since; it is notable that they did not reiterate their position at the September Fisheries Council.

/Although

W Rickett Esq
PS/Prime Minister
10 Downing Street
London SW1

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Although in certain fishing areas it has suited us well to manage the fisheries in a manner corresponding to the Commission's proposals, we have throughout made clear we were doing so on the basis of our own national, autonomous measures. In other areas we are disregarding the Commission's recommended quotas. If they were to bring a case against us in respect of this rejection of their requirements we would certainly contest it; if they do not it is their position, not ours, which is going by default. Several other Member States share our view of the Commission's claims and are adopting the same practical approach as ourselves.

In view of the importance of the wider issue to which the Prime Minister referred we also examined the possibility of instituting formal legal proceedings. We considered this in two contexts. Immediately after the Commission's initial general assertion of these powers in respect of Fisheries we considered whether we should mount a direct challenge to it as such before the European Court of Justice. The legal note circulated under cover of the Lord Privy Seal's minute of 10 August discussed the prospects of success in such a litigation. The conclusion reached was that, while a reasonable case could be presented, the prospects of a successful challenge in the European Court of Justice was not good in respect of Total Allowable Catches, though rather better in respect of their division into national quotas. Overall we considered that the balance of the judgment would be against us and could indeed confirm that the Commission had some of the powers which we and other Member States dispute. Ministers therefore felt that it would be unwise to take this risk, the more so in that the legal assessment was that this would not prejudice our ability to dispute the Commission's claims later in respect of specific requirements which it suited us to disregard.

More recently we considered again the question of whether, if the Commission took the UK to court over non-observance of their proposed quotas, our defence would be handicapped on procedural grounds by the fact that we had not challenged their original general assertion of powers. As you know, we concluded that our defence would not be fundamentally prejudiced and that the balance of arguments remained, as in August, against mounting a challenge ourselves before the European Court of Justice.

/However



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However in other cases where we have considered that the balance of the argument pointed to our overall interests being prejudiced if we did not dispute, before the Court, an attempted extension of the Commission's powers, we have not hesitated to do so. Thus in September last year the Cabinet decided that we should initiate proceedings to challenge the Commission's interpretation of their powers under Article 90 and, in July this year, OD(E) decided that the United Kingdom should intervene in the Staple Dairy Products case to fend off a possible claim that the Commission could legislate in place of the Council, in a 'legal vacuum'. In the present case, the Commission's declaration was based on factors peculiar to the fisheries sector which could not easily be applied more widely, under the Treaties, to other sectors. We have responded accordingly through the reiteration of our legal reservations and the political and practical steps I have described above.

It is the Lord Privy Seal's view that the best way of following up the action already taken in the fisheries context is to maintain our express formal rejection of the validity of their action but not to initiate legal action, which might not be successful and which might in fact consolidate the powers the Commission have claimed.

The Prime Minister might wish to consider whether, in order to ensure that our standpoint is fully registered with the Commission at the highest level, she could take an opportunity to impress upon the President of the Commission the seriousness with which we would view any attempt by the Commission to maintain the line they took in July or to extend their powers in other areas of Community activity at the expense of the Council. A suitable occasion might be when M. Thorn visits London to prepare the European Council to be held at the end of November, as he is bound to do.

I am sending copies of this letter to the Private Secretaries to members of OD(E), to Muir Russell (Scottish Office), John Craig (Welsh Office), Stephen Boys-Smith (Northern Ireland Office), Christine Duncan (Lord Advocate's Department) and David Wright (Cabinet Office).

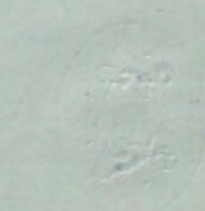
Yours truly
S J Gomersall

S J Gomersall
PS/Lord Privy Seal

CONFIDENTIAL

20 OCT 1981

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Northern Ireland Office
Stormont Castle
Belfast BT4 3ST

Fisher

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fr

19th October 1981

Rt Hon Humphrey Atkins MP
Lord Privy Seal
Foreign and Commonwealth Office
Downing Street
LONDON
SW1A 2AL

Humphrey Atkins

EUROPEAN COMMUNITY : FISHERIES

Thank you for sending me a copy of your letter of 6th October to Peter Walker.

While I accept that there is now a greater risk of Commission action against the UK under the article 169 procedures I support your view that the UK should not initiate at this time procedures against the Commission under article 173. I am satisfied that any risks involved are worth taking when set against the advantages of finally achieving agreement on the full CFP package.

I am copying this letter to the Prime Minister, other members of OD(E), the Minister of Agriculture, Fisheries and Food, the Secretaries of State for Scotland and Wales, the Lord Advocate and Sir Robert Armstrong.

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original *grubel* to *CAF*
CONFIDENTIAL *B. Fall - Blackpool,*
copies despatched
from London



10 DOWNING STREET

WR 19/10

From the Principal Private Secretary

16 October 1981

Fisheries

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute of 15 October about fisheries and she is content with the tactics which he and Mr. Walker are proposing to adopt.

I am sending copies of this letter to the Private Secretaries to the other members of OD(E) and to David Wright (Cabinet Office).

C.W.

Brian Fall, Esq.,
Foreign and Commonwealth Office.

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*Michael (or)**PM has seen**mm**Paul*PM/81/47PRIME MINISTERFisheries

1. Peter Walker and I have discussed the position in the fisheries negotiations after the 29 September Council at which he secured the useful mini-package which cleared several relatively minor but irritating aspects of the fisheries problem out of the way.

2. At that Council it was agreed that Contogeorgis, the Commissioner for Fisheries, would undertake a tour of Community capitals with a view to preparing proposals which could form the basis of a settlement of the outstanding aspects of the Common Fisheries Policy, particularly access, total allowable catches (TACs), and quotas. The Commission, however, have been dragging their feet. I fear that we must recognise that their procrastination will not leave enough time for proper preparation of the Council to be held at the end of October, making it unlikely it will be able to achieve major progress towards the CFP.

3. I therefore agreed with Peter that the Council should meet for one day only on 27 October, and should then agree that a major effort should be made to reach a decision at the following Fisheries Council on 30 November.

/4. Although



4. Although this would mean that we would not in October see a settlement or substantive progress towards it, it should enable us to by-pass the European Council and make it clear that the CFP negotiations were in no way linked with discussion of the Mandate. Whatever else happens, we should do everything we can to ensure that no such linkage is established. A Mandate/fish trade-off could be extremely dangerous and potentially damaging to us.

5. We also agreed that at the October Council it might be possible to reach agreement on an enforcement regulation, which would represent a further step towards a complete CFP.

6. I hope you will agree that these are the right tactics.

7. I am copying this to the members of OD(E) and to Sir Robert Armstrong.

(CARRINGTON)

Foreign and Commonwealth Office

15 October 1981



PM/81/47

PRIME MINISTER

Prime Minister.

Agree the approach recommended
by Lord Carrington and Mr Walker?

HW
(5.8)

HW

Fisheries

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C
/

(CARRINGTON)

Foreign and Commonwealth Office

15 October 1981

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GRS 450

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FRAME GENERAL
DESKBY 151600Z
FROM UKREP BRUSSELS 151435Z OCT 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 3705 OF 15 OCTOBER 1981

DATE OF FISHERIES COUNCIL

1. I UNDERSTAND THAT MAFF WISH TO CONFINE THE FISHERIES COUNCIL TO ONE DAY AND THEY PREFER 27 OCTOBER. AS YOU KNOW, THAT DAY IS NOT ONLY THE SECOND DAY OF THE FOREIGN AFFAIRS COUNCIL. THERE IS ALSO A FULL DAY ENERGY COUNCIL. TO HOLD THE FISHERIES COUNCIL ON THE SAME DAY WILL CAUSE PRACTICAL PROBLEMS WHICH WOULD MAKE IT IMPOSSIBLE TO CONDUCT ALL THREE COUNCILS EFFICIENTLY AND WILL CAST SEVERE DOUBT ON THE CAPACITY OF THE PRESIDENCY TO MANAGE THE COMMUNITY'S BUSINESS. (OUR CREDIBILITY HAD ALREADY BEEN STRAINED BY THE ADDITION OF A FISH COUNCIL TO THE OTHER TWO, BUT THE PROBLEM COULD BE MANAGED WITH THE BULK OR ALL OF THE FISH COUNCIL TAKING PLACE ON THE MONDAY 26 OCTOBER).

2. THE NATURE OF THE PROBLEM IS INDICATED BY UKREP TEL NO 3257 OF 17 SEPTEMBER, THOUGH SOME CHANGES OF DETAIL WILL HAVE TO BE MADE. (AN UP-TO-DATE AGENDA WILL BE REPORTED IN THE NORMAL WAY AFTER TODAY'S COREPER). THE PRINCIPAL PROBLEM IS TO ENSURE THAT AMBASSADORS, DEPUTIES AND THEIR STAFFS ARE ABLE TO SERVICE THE THREE COUNCILS PROPERLY. IN ORDER TO DO THIS WE HAVE FOR SOME TIME PLANNED ON THE FOLLOWING BASIS:

A) ITEMS PREPARED BY AMBASSADORS FOR THE FOREIGN AFFAIRS COUNCIL WILL BE TAKEN ON 26 OCTOBER. THESE INCLUDE THE MANDATE, SCHEDULED FOR THAT AFTERNOON, AND WE HAVE TRIED TO ENSURE THAT ALL FOREIGN MINISTERS WILL BE PRESENT FOR THAT CONCENTRATION PERIOD.

B) ITEMS PREPARED BY DEPUTIES FOR THE FOREIGN AFFAIRS COUNCIL, MAINLY TEXTILES SUBJECTS WILL BE TAKEN ON TUESDAY MORNING 27 OCTOBER.

C) DEPUTIES WOULD THUS BE AVAILABLE TO ADVISE FISHERIES MINISTERS ON 26 OCTOBER.

D) AMBASSADORS WOULD BE AVAILABLE TO ADVISE ENERGY MINISTERS ON 27 OCTOBER.

CONFIDENTIAL

13. THE

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3. THE ORDER OF THE FOREIGN AFFAIRS COUNCIL AGENDA CANNOT BE REVERSED (EVEN IN THE UNLIKELY EVENT OF ALL ENERGY MINISTERS BEING ABLE TO SHIFT TO 26 OCTOBER) BECAUSE THE COUNCIL MUST PREPARE ON THE MONDAY MORNING FOR THE MINISTERIAL MEETINGS WITH THE SPANIARDS, PORTUGUESE AND CYPRIOTS ON THE EVENING OF 26 AND AFTERNOON OF 27 OCTOBER (FOR WHICH INCIDENTALLY AMBASSADORS DO NOT THEMSELVES NEED TO BE PRESENT). IT WOULD AT THIS LATE STAGE ALSO BE MOST UNLIKELY THAT THE THREE VISITING FOREIGN MINISTERS COULD CHANGE THEIR SCHEDULES IN A MUTUALLY CONGRUENT FASHION: NOR WOULD IT BE COURTEOUS TO ASK THEM TO DO SO.

4. IN THE CIRCUMSTANCES IN HOPE THAT MR WALKER CAN AGREE TO HOLD THE FISH COUNCIL ON 26 OCTOBER. I FEAR THAT THE ALTERNATIVE WILL BE UNWORKABLE.

FCO ADVANCE TO

FCO - PS HANNAY SPRECKLEY FONBLANQUE ECD(I) FORTESCUE

CAB - FRANKLIN ELLIOTT GOODENOUGH

MAFF - MASON

D/EN - D LE B JONES

BUTLER

[ADVANCED AS REQUESTED]

FRAME GENERAL

ECD (I)



10 DOWNING STREET

From the Private Secretary

13 October 1981

MAFF
DST
AH-Gen

EUROPEAN COMMUNITY: FISHERIES

On her return from Australia and Pakistan, the Prime Minister has seen the Lord Privy Seal's letter to Mr. Walker of 6 October, in which he recommends that we should not challenge the Commission in the European Court on the powers they claimed at the July Fisheries Council. She understands that it is now too late to challenge the actions of the Commission under Article 173. She has, however, commented that, if she had been able to see this correspondence earlier, she would have wished to question the Lord Privy Seal's recommendation, though she recognises that it has been endorsed by all the other Ministers concerned.

The Prime Minister feels that the basic issue is not - as the officials' note suggests - whether a failure to challenge the Commission's position under Article 173 within the time limits laid down would prevent our challenging the Commission by way of defence in any subsequent action under Article 169. She feels instead that the real issue is whether the Commission should assume, totally unchallenged, the fundamental power to require Member States to comply with Commission proposals where the relevant Council of Ministers has failed to reach agreement.

Moreover, the Prime Minister considers that to let this point of principle go unchallenged would be a major error. We are now letting the Commission exercise powers it claims as if they did exist and we are waiting for the Commission to take action against us on a particular expression of those powers, on the assumption that we can then challenge them. But there is always the chance that the Commission will not take us to the European Court; and the Prime Minister is concerned that this will mean that their contention that they have the powers they claim will then be won. She feels this will set an unfortunate precedent which the Commission may exploit, relying on a similar unwillingness on the part of Member States to challenge them.

For all these reasons, the Prime Minister feels the only course is to challenge the Commission. She has asked if the possibility of taking some action on the fundamental issue, rather than on the specific act of the Commission in July, can be investigated. I should be grateful for your early advice on this.

/ I am sending

B/K

File

cc:

ODR
FCO
HM
LPO
(LPS)

So
Wo
Nro
Kd Adv.
Co

BF

DSG

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- 2 -

I am sending copies of this letter to the Private Secretaries to members of OD(E), to Muir Russell (Scottish Office), John Craig (Welsh Office), Stephen Boys-Smith (Northern Ireland Office), Christine Duncan (Lord Advocate's Department) and David Wright (Cabinet Office).

Yours

William Rickett

Stephen Gomersall, Esq.,
Lord Privy Seal's Office.

CONFIDENTIAL



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

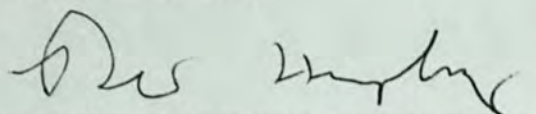
From the Minister

CONFIDENTIAL

The Rt Hon Humphrey Atkins MP
Lord Privy Seal
Foreign and Commonwealth Office
Downing Street
London SW1A 2AL

WM
15/10

12 October 1981

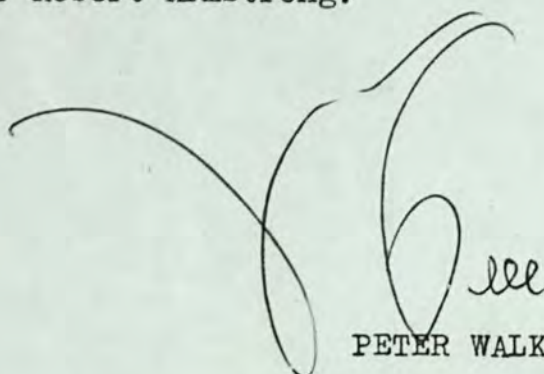

EUROPEAN COMMUNITY : FISHERIES

Thank you for your letter of 6 October covering a further note by officials about the possibility of instituting a case in the European Court of Justice under Article 173 of the Treaty, seeking to establish that the Commission exceeded their powers in their statements after the 27 July Fisheries Council when they claimed the right to impose the total allowable catches and quotas they have proposed for 1981 on member states. I note from the Attorney General's and Lord Advocate's recent letters that from the legal point of view they agree that it would be best not to institute such a challenge.

From the fisheries point of view also we would not wish to take the lead in questioning the Commission's actions at this stage if we could possibly avoid doing so. We made useful progress at the 29 September Fisheries Council and must hope to maintain the momentum towards an overall settlement this autumn. To succeed in securing agreement on a satisfactory deal we need the Commission's active co-operation and it would not help to secure it if we issued a direct challenge to them in the Court which they would be bound to defend vigorously. It is possible that the Commission have themselves reasoned similarly since it is noticeable that following the successful 29 September meeting they have so far refrained from issuing any statements like those we are concerned about which were made after the abortive meeting on 27 July.

For these reasons I therefore agree that it would not be right to issue a legal challenge under Article 173.

I am copying this letter to the Prime Minister, the Secretaries of State for Scotland, Wales and Northern Ireland, the Attorney General, Lord Advocate and Sir Robert Armstrong.


PETER WALKER

CONFIDENTIAL

12 OCT 1987

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MM 12/10

CHEQUERS
BUTLER'S CROSS · AYLESBURY
BUCKS

The date on the advice below, which I am asked to confirm is 9th October. All possibility of action expired on 10th October - the day the press reached me. [N.D. - they were in one of the boxes I took for No. 10 to Chequers on the evening of 9th Oct. Having dealt with the other box first, I opened the second box this morning, Sunday, 10th October)

The advice is - 'take no action at present'.

I think it is fundamentally wrong advice.

The basic question is whether the Commission should have these powers at all. To let that point of principle go unchallenged is, in my view a major error. In the meantime we are letting those powers continue as if they did exist. And we are waiting for the Commission to take action against us on a particular expression of those powers. Then or I understand it - we can challenge the powers themselves. But what if the Commission does not take us to Court on that point? Their contention that they have those powers, has ^{it} been won and ever not been questioned. What a marvellous precedent for

CHEQUERS
BUTLER'S CROSS · AYLESBURY
BUCKS

The Commission. What powers will they try to
take next. rely up on a similar unwillingness
to on the part of member states to challenge them.

I agree with the note by officials d- 9.(a).
Except that I would substitute for the words
'the sole court' - the words 'the only court'.

Would you investigate what possibility there
is of bringing an action on such a
fundamental issue - out of time.

Raymond Hunter

10th October 1967.



CONFIDENTIAL

Prime Minister 1

Content to accept the
 Lord Privy Seal's
 recommendation at A ?

MR. ALEXANDER

W/H
 9/10

European Community: Fisheries

(attached)

In his letter of 6th October to the Minister of Agriculture, which was copied to the Prime Minister, the Lord Privy Seal seeks colleagues' agreement to his conclusion that the United Kingdom should let the procedural deadline laid down in Article 173 pass without taking action to challenge in the European Court the powers claimed by the Commission at the July Fisheries Council. At that Council the Commission asserted that, in the absence of agreement by the Council and in the light of a recent Court judgment, they were entitled in law to require member states to comply with their proposals for total allowable catches and quotas.

2. In the Ministerial correspondence on this question in August it was agreed that no Article 173 challenge was necessary at that stage, but that the position should be reviewed if the time came when it was no longer in our fisheries interests to go along with the substance of any measures proposed by the Commission in the exercise of their purported powers. Since then it has become clear that we have not complied with at least two Commission proposals relating to quotas, and the Commission have warned that they may bring Article 169 infraction proceedings against the United Kingdom in respect of one of them. As the Article 173 time limit runs out on 10th October, the question therefore arises whether we should contest the Commission's declaration before that date or face the possibility of infraction proceedings with the risk that we might then be debarred from doing so.

3. As the Lord Privy Seal's letter and the accompanying official note point out, there are two main grounds for letting the deadline pass without a challenge. First, the lawyers believe that we could if necessary still attack the validity of the Commission declaration in our defence against any Article 169 case by arguing that it had no basis in law and that the Article 173 constraints did not therefore apply. Secondly, the progress made at the 29th September Fisheries Council in agreeing the mini-package means that



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it is both less likely that the Commission will now take action against us and that any Article 173 case initiated by us might impair the prospect of a final CFP settlement at the October Council.

- A/ 4. The Lord Privy Seal accordingly concludes that the balance of advantage lies in not taking the issue to the Court for the present. The Minister of Agriculture is expected to concur. If the Prime Minister agrees, and no other Minister dissents, it would suffice for her to assent to this conclusion in a brief Private Secretary letter.

Robert Armstrong

9th October 1981

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*Fisher and
Wheeler also*

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9 October, 1981

Dear Humphrey,

EUROPEAN COMMUNITY: FISHERIES

Thank you for sending me a copy of your letter of 6 October to Peter Walker. In substance, I agree with the assessment made in the "Further Note by Officials" and I therefore agree with the conclusion expressed in your letter. My only reservation about the Note by Officials concerns paragraph 8. I think that to say that in Article 173 proceedings there would be no possibility of isolating the quota issue from the TAC issue is to overstate the position. But I agree that it would be more difficult to do so in such proceedings than in Article 169 proceedings, where the complaint against us would presumably flow from our disregard of the quota allocated to us by the Commission. But this is a detail and does not affect my agreement with the general conclusion that the balance of the argument is against rushing into Article 173 proceedings. On a related but even more minor point, I take it that the reference in paragraph 9(c) of the Note to "any Court proceedings" is intended to be a reference to any such proceedings under Article 173.

I am copying this letter to Peter Walker and to the others to whom your letter to me was copied.

*Yours etc.
Michael*

Rt Hon Humphrey Atkins MP
Lord Privy Seal
Foreign and Commonwealth Office
London, SW1

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WNA

Fisher



Lord Advocate's Chambers
Fielden House
10 Great College Street
London SW1P 3SL

Telephone: Direct Line 01-212 0515
Switchboard 01-212 7676

The Rt. Hon. Humphrey Atkins M.P.,
Lord Privy Seal,
Foreign and Commonwealth Office,
Downing Street,
London SW1A 2AL.

8 October 1981

EUROPEAN COMMUNITIES: FISHERIES

Thank you for copying to me your letter of 6th October to Peter Walker.

I consider that the jurisprudence of the European Court suggests that as a defence to infraction proceedings it would be open to us to argue that the Commission's decision addressed to us on which the infraction proceedings would be based was a legal nullity since the Commission had no power to make it. On the other hand it would not be open to us in a defence to proceedings under Article 169 of the EEC Treaty to argue against the legal merits of the particular decision that the Commission made.

It would appear that the principal argument available to us against the Commission's decisions in question is that the Commission had no power to reach them and to enforce them against a Member State and, accordingly, I would expect that our principal argument would remain open even if we did not seek to challenge the Commission's decision now.

In view of the decision of the Court in Case 804/79 there must be a considerable risk that a challenge to the Commission's decision will not succeed. In this connection a distinction has been drawn between the decision relating to TACs and that relating to quotas. For my part I find it difficult to distinguish these two from the point of view of Commission competence since I am not aware of any really equitable method of securing compliance with TACs except by a quota arrangement. From the legal point of view, therefore, the risk of taking action now is that the Court will affirm the Commission claim. In the recent case of R v Tymen in which I appeared for the United Kingdom there was some indication that the Court was sympathetic to our position and saw difficulty in the way in

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which the Commission have so far carried out their role in this matter. This is, of course, only an impression from the very limited reaction exhibited by the Court at the oral hearing and we must await the judgment to see if there will be any change in the Court's attitude.

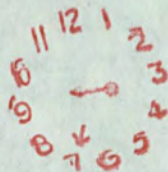
In the light of these considerations and in the present circumstances I agree with the view that we should not initiate an action under Article 173 to challenge the Commission.

This letter is copied to the Prime Minister and others who received copies of your letter.

(Dictated by the Lord Advocate
but signed in his absence).

CONFIDENTIAL

29 OCT 1981



*Fisheries*

Foreign and Commonwealth Office

London SW1

6 October 1981

Dear Peter.

EUROPEAN COMMUNITY: FISHERIES

on Previous Part at flap

In his minute to you of 10 August, which was copied to the Prime Minister and other colleagues, Ian Gilmour summarised the advice of officials on the legal and policy questions raised by the Commission's assertion at the July Fisheries Council that they were entitled in Community law not merely to approve or disapprove member states' conservation measures but also to require member states to comply with the Commission's own proposals on Total Allowable Catches (TACs) and quotas.

We concluded in correspondence that a formal legal challenge at that stage would not be in our fisheries' interests, that our legal position was not likely to be prejudiced if we rested on the refutation of the Commission's claim that we had already made, and that if the Commission sought to invoke the powers they were claiming in future we should decide our reaction on the balance of substantive advantage to us in each case. Where the substance of what they sought to do was acceptable, a formal reservation on the legal aspects might be enough. But if our fisheries' interests were at stake we might not wish to conform and the case might have to be resolved by the European Court of Justice. In letters of 17 and 27 August Ian Percival agreed that we should not mount an immediate challenge but drew attention to certain risks in this course. We accepted in any event that it might be necessary to return to this subject again.

The Rt Hon Peter Walker MBE MP
Minister of Agriculture, Fisheries & Food
Whitehall Place
London SW1A 2HH



It is now clear that we have not complied with the substance of at least two Commission proposals, concerning respectively our quota for the Isle of Man Fishery and the limitation of catches - until the Fisheries Council next met - to three quarters of the annual quotas for species other than herring. The Commission have warned of the possibility of Article 169 proceedings against us and perhaps other member states in respect of the second of these demands, although it presumably expired at the 29 September Fisheries Council. Officials have accordingly considered again whether we should ourselves take action against the Commission in the European Court before the deadline for an Article 173 action expires on 10 October. I enclose ... a note setting out their agreed advice on the relevant legal issues.

Taking account of their advice and the other factors reviewed by officials I would summarise the position as follows:-

(i) There is a risk that if we do not challenge the Commission's claims within the set time limit we may be prevented from doing so later if the Commission bring a case against us. In terms of legal procedure the safest course would therefore be to initiate a challenge to the Commission's claims under Article 173 of the EC Treaty. Our chances of success would be no better than they were when Ian Gilmour wrote to you on 10 August.

(ii) If, however, we did not now raise the matter under Article 173 and later the Commission were to bring a case against us under Article 169, we would probably not be precluded from deploying our arguments in the Court, and the Court would in practice deal with them.

/(iii) On



(iii) On the other hand, several other member states take the same view as ourselves on the Commission's claims and are in the same boat. The Commission are bound to think twice before taking infraction proceedings against all of us on so contentious an issue; equally, so far as we know, no other member state is contemplating Article 173 action.

(iv) The mini-package you secured on 29 September represents a substantial step forward in the CFP negotiations and the Commission are about to start on a series of bilaterals with the aim of making progress towards an overall settlement at the 26/27 October Council. They are unlikely to take action against member states while negotiations shew any sign of making progress, although they might do so if there were a complete breakdown.

In these circumstances I believe that it would go completely against the spirit now prevailing and your determination to work for a settlement at the next Council if we were to initiate a challenge to the Commission before then. Since it is not certain that we would get all we wanted from such a challenge, and since there is a reasonable chance that we should not be debarred from making it in the context of Article 169 proceedings if the Commission brought a case against us, I do not think we should initiate an Article 173 action before the 10 October deadline. I should be grateful to know whether you and other colleagues are content with this conclusion.

I am copying this minute to the Prime Minister, other members of OD(E), the Secretaries of State for Scotland, Wales and Northern Ireland, the Lord Advocate and Sir Robert Armstrong.

Lord av

Humphrey

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COMMISSION COMPETENCE IN RELATION TO FISHERIES MEASURES

Further Note by Officials

Introduction

1. The Note by officials of 7 August 1981 came to the following conclusions -

(a) A reasonable legal case can be presented that the Commission do not have the powers they claim in their Declaration of 22 July 1981 and in subsequent letters;

(b) the prospects of successfully contesting the Commission's ^{claims in} the European Court are not good in respect of TACs, but are better in respect of quotas;

(c) a challenge before the European Court under Article 173 could be mounted now, ie August, in respect of the Declaration and letters sent to us, or later, if the Commission, relying on these powers, purported to require us to take certain measures;

(d) our legal position is not likely to be prejudiced if for the time being we rest on our public repudiation of the Commission's Declaration.

The Commission Declaration and subsequent letters purport to impose requirements on Member States concerning TACs and quotas both in relation to the time up to the next Fisheries Council (ie 29 September) and in the longer term. It is now clear that we have not complied with the substance of at least two Commission proposals, concerning respectively our quota for the Isle of Man Fishery and the limitation of catches until the Fisheries Council next met to three quarters of the annual quotas for species other than herring. The Commission have warned of the possibility of Article 169 proceedings against us in respect of the second of these purported requirements, although it presumably expired at the 29 September Fisheries Council. There may be other requirements - which are not interim in nature - with which we will not wish to comply. Officials have accordingly considered again whether we should ourselves take action against the Commission in the European Court before the deadline for an Article 173 action expires on 10 October.

The basic issue

2. The basic issue is the question whether a failure on the part of the United Kingdom to challenge the Commission's position under Article 173 within the time limits laid down in that Article would have the effect in Community law of preventing the United Kingdom from challenging that position by way of defence in a subsequent action under Article 169.

3. In considering time limits under Article 173 of the EEC Treaty the European Court has had regard to the desirability of achieving a balance between the need for review of the legality of acts of the institutions and the need to respect legal certainty. This compromise has been expressed by the Court as a fundamental principle of law in the following manner:

"The limitation period for bringing an action fulfils a generally recognised need, namely the need to prevent the legality of administrative decisions being called in question indefinitely, and this means that there is a prohibition on re-opening a question after the limitation period has expired."
(Germany v High Authority, Case 3/59 (ECR 1960 p 53)).

In Commission v Belgium, Case 156/77 (ECR 1978 p 1881) the Court held:

"In view of the fact that the periods within which applications must be lodged are intended to safeguard legal certainty by preventing Community measures which involve legal effect being called in question indefinitely, it is impossible for a Member State which has allowed a strict time limit laid down in the third paragraph of Article 173 to expire without contesting by the means available under that Article the legality of the Commission's decision addressed to it to be able to call in question that decision by means of Article 184 of the Treaty when an application is lodged by the Commission on the basis of the second sub-paragraph of Article 93(2) of the Treaty."

*No - the basic issue is whether the Commission should allow those Jurisdictional powers to be unbattered.
not*

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It is true that the case concerned an action by the Commission taken under the expedited procedure of Article 93(2), but it is difficult to see how a distinction can be drawn between Article 93 proceedings and Article 169 proceedings for the purposes of the question we are now examining. In the Belgian case the Court went on to emphasise that:

"in these circumstances to permit a Member State to whom a decision adopted under the first sub-paragraph of Article 93(2) has been addressed to call in issue the validity of that decision when an application referred, to in the second sub-paragraph of Article 93(2) has been lodged, in spite of the expiry of the period laid down in the third paragraph of Article 173 of the Treaty, would be impossible to reconcile with the principles governing the legal remedies established by the Treaty, and would jeopardise the stability of that system and the principle of legal certainty on which it is based."

4. There is, however, some authority for the proposition that where the question before the Court is not one of the validity of a Community act, but one concerning its very existence, the time limits in Article 173 do not act as a bar to Member States raising the issue in their defence in infraction proceedings. In Commission v France, Cases 6 and 11/69 (ECR 1969 p 523) the Commission had brought proceedings under Article 169 of the Treaty against France for not complying with a decision which, in the opinion of the French, was taken in a field reserved to the competence of Member States. The Advocate-General Roemer, after pointing out that France could not rely on Article 184 (Case 156/77 has confirmed that Member States to whom individual decisions are made cannot rely on that Article); said that although there could be no question of a detailed investigation of the legality of the decision it was permissible to make an enquiry whether there were such serious and obvious defects in the making of a decision in respect of rules on jurisdiction that the decision could be disregarded without annulment by the Court. The Court appears to have confirmed the approach of the Advocate-General. Referring to the French claim that the Commission's decision was taken in a sphere which belonged exclusively to the jurisdiction of Member States, it said:

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"If this allegation were valid, the above mentioned decision would lack all legal basis in the Community legal system and in proceedings where the Commission in the interests of the Community is taking action for failure by a Member State to fulfil its obligations it is a fundamental requirement of the legal system that the Court should investigate whether this is the case."

In the event France lost because in its investigation the Court did not discover any serious and obvious defects in the making of the decision. However, the fact that the Court was prepared to make the investigation showed that it would have been prepared also to decide against the Commission if France had been able to show obvious and serious defects.

5. The precise relationship between Case 156/77 and cases 6 and 11/69 is not entirely clear. But if the proposition laid down in Cases 6 and 11/69 still holds good - and there are good reasons for thinking that it does - the UK's argument in the present case would seem to fall squarely within the doctrine enunciated in Cases 6 and 11/69. The serious and obvious defects would be that the Commission is not competent to make proposals which are binding on the Member States, combined with the fact that it had not properly carried out its role in the process of collaboration and co-operation laid down in Case 804/79.

6. The conclusion to which this line of reasoning tends is that a failure to take action under Article 173 would not prejudice our ability to challenge the Commission's act in proceeding under Article 169.

7. On the other hand there is no doubt that from a purely procedural point of view it would be safer to act now under Article 173. The argument as to non existence of acts of Community institutions depends on a very fine technical distinction and there do not appear to be further precedents since Cases 6 and 11/69. The need for caution is all the more apparent if the wider implications of the Commission's claim about the nature of their proposals are borne in mind. Previous examples of action under Article 173 initiated for reasons of caution include the proceedings brought by the Federal Republic of Germany in the Budget case and the

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proceedings brought by the United Kingdom in the Pigeat subsidies case.

8. If it were decided that proceedings should be commenced under Article 173, it would be necessary to challenge the Commission's letters 1466, 1476 and 1477, together with the Declaration of 27 July. There would be no possibility of isolating the issue of the Commission's power to require Member States to comply with quota proposals from the issue of their power to require Member States to comply with their TAC proposals. Our assessment of the prospects of successfully contesting the Commission's claims in the European Court would not therefore be improved and there would be a serious risk of the Court entrenching the Commission's view of its powers.

Conclusions on main issue

9. On the main issue discussed in this Note, officials have come to the following conclusions:

(a) from the legal-procedural point of view the safer course would be to take proceedings before 10 October 1981 against the Commission for annulment under Article 173.

(b) If, however, we did not bring annulment proceedings under Article 173 and if (which is not certain) the Commission later brought proceedings against us under Article 169 for infringement, the United Kingdom could put forward to the Court the argument that the Commission's act had no basis in law and that the Article 173 procedure and time limit did not therefore apply. Our judgment is that while the Court might rule that we should nevertheless have followed the Article 173 procedure, it would also probably consider the substantive question at issue.

(c) It would be difficult in any Court proceedings to improve our chances of success by concentrating on quotas and avoiding TACs and there would therefore be a risk that any Court Judgment would entrench the Commission's view of its powers.

6 October 1981

-7 OCT 1981



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Yeshing HC

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10 DOWNING STREET

From the Private Secretary

24 September 1981

DOT
LAD

Negotiations on the Common Fisheries Policy

I wrote to you yesterday conveying the Prime Minister's agreement to the policy outlined in Mr. Buchanan-Smith's letter to the Prime Minister of 22 September. The Prime Minister has subsequently seen Stephen Gomersall's letter to me of 23 September on the same subject. She considers that a number of points made by the Lord Privy Seal, developing those in the Minister of State's letter, are well taken.

Specifically, the Prime Minister agrees that:-

- (a) However unfavourable the auguries, we must make a major effort this Autumn to reach an agreement on the Common Fisheries Policy and to sell the agreement to the industry;
- (b) This means exerting maximum pressure on the French in the weeks ahead. To this end we should be clear from the outset that if agreement on an overall settlement is not reached in September, we will expect the discussion to be continued at the October Fisheries Council;
- (c) This implies that if the idea of a mini-package is to be floated - and the Prime Minister has agreed to this on the basis that in Mr. Walker's judgement it would be "helpful as a step towards an overall settlement" - this should not be done until it has been agreed that discussion of the overall settlement will continue next month.

I am sending copies of this letter to the Private Secretaries to the members of OD(E) and to Godfrey Robson (Scottish Office), John Craig (Welsh Office) and Stephen Boys Smith (Northern Ireland Office). A copy also goes to David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Miss Kate Timms,
Ministry of Agriculture, Fisheries, and Food.

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DSG



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10 DOWNING STREET

From the Private Secretary

23 September 1981

Negotiations on the Common Fisheries Policy

The Prime Minister has seen Mr. Buchanan-Smith's letter to her of 22 September. She is content with the course of action proposed by the Minister of State.

I am sending copies of this letter to the Private Secretaries of the members of OD(E) and to Godfrey Robson (Scottish Office), John Craig (Welsh Office) and Stephen Boys Smith (Northern Ireland Office).

M. O'D. B. ALEXANDER

Miss Kate Timms,
Ministry of Agriculture, Fisheries and Food.

25

①



Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

23 September 1981

If you agree, I will send a gloss
to your earlier agreement saying that
you think the Lord Privy Seal's points
at A, B & C below are well taken.

Sir R. Amulree's minute, attached, is making virtually the
same points.

Dear Michael.

Rmb - 23/9

mb

NEGOTIATIONS ON THE COMMON FISHERIES POLICY

We have seen a copy of Mr Buchanan-Smith's letter of
22 September to the Prime Minister about the line to be adopted
at the Fisheries Council next week.

The Lord Privy Seal very much agrees with Mr Buchanan-Smith
that it is in our interest to do all we can to reach a successful
conclusion of these negotiations in the course of the autumn.
Not only is this important in the fisheries context itself but,
as you know, it has a considerable bearing on wider issues of
Community policy, in particular the negotiations over the
30 May Mandate.

A. It is certainly the case that the indications on the French
attitude are not encouraging. This puts a large question mark
over the likelihood of a fully successful meeting of the Council
next week. We are glad, therefore, to see that dates for a
further Council in October have been reserved. We think it is
important that, however discouraging next week's Council, this
second Council should be held. We want to put the maximum pressure
B, we can on the French to settle or, as Mr Buchanan-Smith says,
to be able to pin the blame for eventual lack of progress firmly
on to them. Two Council meetings will be necessary to do either
successfully.

/As to

M O'D B Alexander Esq
Private Secretary
10 Downing Street



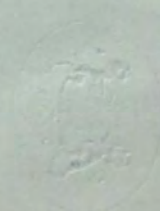
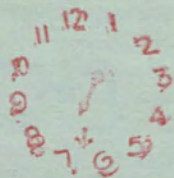
As to the fall-back idea of a 'mini package', we think it would be best to leave it to Mr Walker's tactical judgement to decide whether this might be concluded. But in order to maintain the maximum pressure on the French we do not think that there should be any mention of a mini-package at the September Council until there is a firm commitment to a further meeting in October. to agree an overall settlement.

I am copying this letter to Private Secretaries to Mr Buchanan-Smith, to the other members of OD(E), and to the Secretaries of State for Scotland, Wales and Northern Ireland.

Yours ever
Stephen Gomersall

S J Gomersall
Private Secretary to the
Lord Privy Seal

12 3 SEP 1981



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Ref: A05647

MR. ALEXANDER

Negotiations on the Common Fisheries Policy


In Mr. Walker's absence abroad, Mr. Buchanan-Smith (the Minister of State, Ministry of Agriculture, Fisheries and Food) has written to the Prime Minister about the line proposed for the Fisheries Council on 29th September.

2. Mr. Buchanan-Smith reports on the unpromising prospects for the Fisheries Council and proposes that failing an overall settlement we should try to maintain pressure on the French and pin responsibility for failure to move on them. He then suggests that agreement on a mini-package in September or October could be a useful step towards overall agreement.

3. President Mitterrand was noticeably reticent on fish at the recent Anglo-French Summit and subsequent contacts at official level have shown little evidence of a real effort on the part of the French to make rapid progress. Mr. Walker is to meet his opposite number on Friday. The current French position is no doubt partly tactical; but it also probably reflects a judgment that it will be to their advantage if they can link fisheries with budget restructuring. It is very much in our interest to avoid such a link if we can. Not only will we come under pressure to make concessions on fish in order to secure what we want on the budget (or vice versa) but the fishing industry will believe, whatever the outcome, that the Government has sacrificed their interests in order to get a satisfactory budget deal. Our first priority should therefore be to keep discussion of fish in the Fisheries Council and out of discussions on the budget Mandate.

4. At first sight, agreement on a mini-package would take the pressure off the Council to come to an early agreement on an overall settlement. On the other hand, the Canada agreement will soon become a live issue because the Canadian fishing is available from October and the Germans are already getting restive. Holding back our agreement to last year's fishing, did not in practice result in their putting pressure on the French to settle on access, and there is no reason to suppose that it would do so again. But our efforts to maintain an alliance with the Germans on the budget and CAP would come under great strain if we blocked the Canada agreement for reasons which they would regard as less

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convincing than last time. Mr. Walker evidently believes that a "mini-package", including the Canada agreement, could be presented positively both in United Kingdom and Community terms. It would give our industry the benefits of an improved marketing regulation and some financial assistance for restructuring; and by resolving some of the elements, reduce the complexities of an overall settlement.

5. In reply to Mr. Buchanan-Smith, the Prime Minister might therefore wish to take the following line:-

- (a) She attaches first priority to seeking an early settlement and convincing the industry that this would be in their interests.
- (b) She believes that we should not give up our efforts to get an overall settlement at least until we have tried at the October Fisheries Council.
- (c) That if Mr. Walker judges that the "mini-package" is acceptable to the industry and would not weaken the momentum towards an early overall settlement, she is prepared to agree to it.

ReA

Robert Armstrong

23rd September 1981

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Robert A. ...

12 SEP 1951



From the
Minister of State

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

C O N F I D E N T I A L

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

①
Annie Minister

Content with this line?

Yes

Print - 22/9

22 September 1981

Dear Prime Minister,

NEGOTIATIONS ON THE COMMON FISHERIES POLICY

As Peter Walker is in South America this week, I am writing to outline the approach which we propose to adopt at the next Council of Fisheries Ministers meeting in Brussels on 29 and possibly 30 September.

Peter and I will be meeting the French Fisheries Minister on 25 September to see if there is scope for an overall settlement this month or later this autumn. As you know an Anglo/French accord, particularly on access to waters, is vital if agreement is to be reached. However, preliminary indications this week from discussions at official level with the French are not encouraging. Nevertheless, to ensure that we neglect no opportunity for a settlement we have, as Presidency, reserved dates for a further Council in October which could be firmed up if this seemed tactically expedient. If we do not achieve an overall settlement, we shall certainly try to maintain pressure on the French and to pin the responsibility for any failure to move on them.

If we judge that it would be helpful as a step towards an overall settlement, we have in mind the possibility of agreeing a 'mini' package at either the September or October meetings. This could simplify and reduce the number of decisions to be taken and remove some difficult, but now less important, obstacles to agreement.

Such a package might include a satisfactory marketing regulation, which is now a major objective of our industry; an interim structures regulation, which is of growing importance to the industry; an agreement with Canada, which now poses less difficulty because of the strengthening of the dollar over the last 6 months; and an agreement on the Faroes, subject to the Resolution and other features set out in Peter's letter of 17 July.

/I am copying

/ I am copying this letter to the members of OD(E) and the Secretaries of State for Scotland, Wales and Northern Ireland.

Yours sincerely,
P. R. Apsey

pp. Alick Buchanan-Smith

(Approved by the Minister of State and
signed in his absence)

22-SEP-1981

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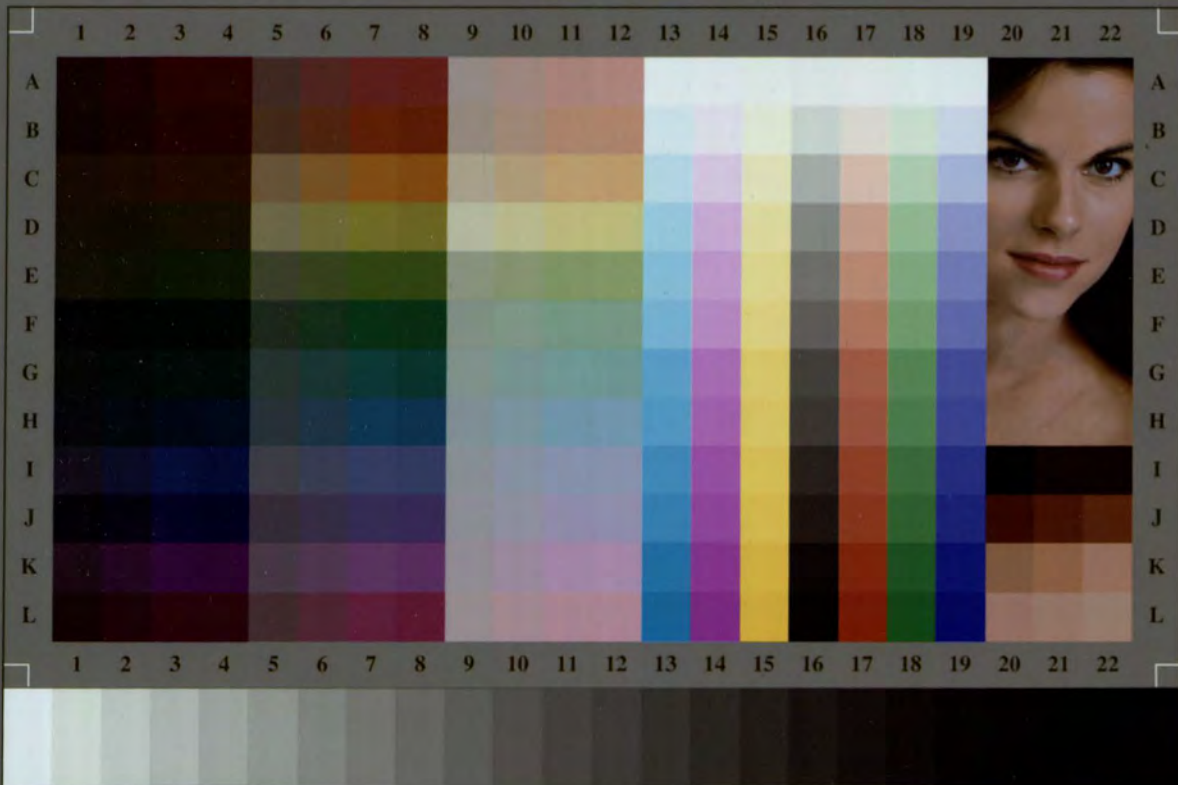
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