

For meeting on Tuesday at 17:30.

① Fishing Ind

A 02454

MR ALEXANDER

Prime Minister

If you agree, it should be possible to arrange a meeting with Mr Walker & Mr Younger next Tuesday evening. It might be helpful if Mr Franklin was also there.

Yes

COMMON FISHERIES POLICY

Mark 26/6

Scottish Minute  
attached.

The Minister of Agriculture, Fisheries and Food and the Secretary of State for Scotland have asked to see the Prime Minister to discuss the way ahead on the fisheries negotiations.

2. There is no doubt that these present us with the most difficult Community issue over the next few months, and it is the one on which we stand the greatest risk of reverting to an 8:1 situation against us. The very fact that the Germans and the French extracted no damaging concessions from us in exchange for the budget settlement will make them all the more determined to drive a hard bargain. For the reasons stated in the Minister of Agriculture's minute, time is not on our side. We are better off negotiating now before our legal position on national conservation measures is eroded, and before we get pushed up against the 31 December 1982 deadline when the present derogations expire. At the same time, our fishing industry faces real economic problems and will expect the Government not to exacerbate the situation by resiling on its pre-election undertakings (copy attached).

3. When the Defence and Overseas Policy Committee last discussed this question (OD(19) 11th Meeting of 24 October 1979) the Prime Minister made it clear that in the negotiations on a revised CFP it was essential to proceed with the positive support of the UK fishing industry. Since then, apart from a decision on total allowable catches for 1980 and some progress on conservation, there has been very little movement, partly because Gundelach has been pre-occupied with agricultural matters and partly because we ourselves were anxious not to get fisheries caught up in the budget negotiations.



However, there have been some bilateral contacts, notably with the French and Danes, and the Fisheries Ministers have been careful to keep in close touch with the leaders of the industry, even inviting them to be present for consultation in Brussels during meetings of the Fisheries Council.

4. The task now is -

i. to get the post-1982 access arrangements settled as part of the package (the French will argue that they can be discussed, if at all, in 1982);

ii. to ensure that the access arrangements are an improvement on the present ones and compatible with the undertakings; and

iii. to see that, with the other elements in the package - especially our share of quotas, it is saleable to the industry.

5. The Prime Minister will want to hear what Mr Walker and Mr Younger have in mind, both for the zone inside 12 miles and for areas beyond it. It appears that they have resolved the inherent conflict of interest between the inshore fishermen and the distant water fleets of Humberside (and Aberdeen), in favour of the more numerous inshore interests. This must be right politically. It will certainly give us a more negotiable position in Brussels since the Community will find it much easier to give special protection to small groups of local fishermen than to accept explicit preference in favour of one member state over the others. It probably also makes economic sense. With the loss of Iceland (and with our deep sea fleet less willing or able than the Germans to exploit new opportunities further afield), a much bigger proportion of our total catches is now being taken in nearer waters. But Mr Walker clearly has in mind that the remainder of the deep sea fleet should, in effect, be bought out - no doubt using as much Community money as possible for the purpose (a figure of £20 million has been mentioned).

6. The questions to ask Mr Walker and Mr Younger might be -

i. how exclusive will the 12-mile zone be, and will any derogations for historic rights be temporary or permanent?



ii. how extensive will be the preferential area beyond 12 miles? (they probably have in mind an area going out to 50 miles off the North of Scotland and in the Irish Sea);

iii. who will enjoy the preference? (they probably have in mind that only boats below a certain size will be able to fish certain species in the preferential area);

iv. can other elements in the package - quotas, conservation, national policing etc - be satisfactorily resolved?

The Prime Minister might prefer not to give her final reaction but ask Mr Walker and Mr Younger to report back after consulting -

- a. reliable representatives of the industry and,
- b. the Chancellor on the financial implications of running down the deep sea fleet (the temporary financial aid we are giving the industry comes to an end on 30 September and more may be needed before a permanent Community scheme is agreed).

The Prime Minister might ask to be consulted again before the Ministers speak to Gundelach (no date fixed but next Fisheries Council on 21 July). In general, given the sensitivities and the importance of the issue for our EC policies generally, there should be close consultation - at Ministerial level with her and with the Foreign and Commonwealth Secretary; and, at official level, through the Cabinet Office machine.

26 June 1980