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From the Private Secretary

18 June 1979

Common Fisheries Policy

Your Minister, together with the Foreign and Commonwealth Secretary, the Lord President and the Lord Privy Seal, discussed with the Prime Minister on 15 June, at 1730, how the Government should proceed in exploring the prospects for reaching an acceptable agreement with our EEC partners on a common fisheries policy. The Prime Minister had seen, in advance of the discussion, Mr. Walker's minute of 24 May and the Foreign and Commonwealth Secretary's minute of 5 June on this subject.

Mr. Walker explained to the Prime Minister that his contacts, and those of Mr. Buchanan-Smith, with representatives of the fishing industry since the elections had led him to conclude that the industry as a whole now favoured an early settlement rather than continuing uncertainty. Mr. Walker and Lord Carrington expressed the view that the UK's negotiating position was likely to become weaker rather than stronger as time went on, particularly in view of the legal action which was likely to be taken against the UK - first in the European and then in the British courts - as a result of our unilateral conservation measures. They argued that the UK was not likely to have a better chance of securing a satisfactory settlement than she had now.

During the course of the discussion, the Prime Minister emphasised strongly that she could never endorse proposals for a settlement which did not have the full backing of the fisheries industry. Any such proposals must be in conformity with the election pledges made by the Conservative Party before taking office, to which the Prime Minister considers that she is deeply committed personally as a result of her campaign visits to Scottish fishing constituencies. The Prime Minister noted the apparent contrast between the line now being taken by representatives of the industry in their talks with Mr. Walker and Mr. Buchanan-Smith and the line which they had taken with her before the election; she will wish to be assured that this change of attitude is representative of the industry as a whole.

Subject to these reservations, the Prime Minister agreed at the end of the discussion that Mr. Walker should continue his private talks with representatives of the fishing industry and put together, in the light of these discussions, a draft basis

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for a settlement which would be acceptable to them: he should then report back to the Prime Minister to discuss the next move. The Prime Minister might wish, subsequently, to see representatives of the industry herself. The Prime Minister asked Mr. Walker to avoid, in his discussions with the industry, any suggestion that the terms of a possible settlement which he was putting to them were the best which they could hope for and that on these grounds they should settle for them.

I am sending copies of this letter to Paul Lever (Foreign and Commonwealth Office), Jim Buckley (Lord President's Office) and Martin Vile (Cabinet Office).

B. G. CARTLEDGE

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

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NOTE FOR THE RECORD

COMMON FISHERIES POLICY: DISCUSSION BETWEEN THE PRIME MINISTER, THE FOREIGN AND COMMONWEALTH SECRETARY, THE LORD PRESIDENT, THE LORD PRIVY SEAL AND THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD AT 10 DOWNING STREET ON 15 JUNE 1979 AT 1730

The Prime Minister said that the Community had already grasped the UK's markets and her money: she was determined that the Community should not have our fish as well. The Prime Minister recalled that during the Election campaign the fishing constituencies had pleaded with her and with other Conservative candidates not to be less tough than the Labour Government on the CFP.

The Minister of Agriculture told the Prime Minister that he had been meeting representatives of the fishing industry during the past few weeks and had seen all their representative organisations, including the Federation. His conclusion was that the industry now wanted a settlement, rather than continuing uncertainty. The UK's negotiating position would be weakened by successive court actions against our unilateral conservation measures. He had discussed the problem of quotas with the Scottish industry and they had acknowledged that a quota system offered the only answer. The Prime Minister commented that a quota system was very difficult to monitor. The Lord President commented that a quota could be translated into terms of fishing effort, i.e. limiting the number of days over which a given vessel could fish. The UK would, of course, need a stronger fisheries protection force than at present. He thought that feeling in the industry against quotas stemmed from the old North Sea arrangements but was no longer so strong in Community circumstances.

The Prime Minister said that before the Election she had heard a different story from the fishing industry than that which they were now giving to Mr. Walker. The Foreign and Commonwealth Secretary said that if representatives of the

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industry were to see the Prime Minister and tell her what they would accept, this would create a new situation. The Prime Minister agreed but said that she would wish to have their assurance in writing.

The Lord Privy Seal pointed out that, under the Treaty of Accession, the UK would lose such exclusive zones as remained to her after 1982. The Prime Minister said that she would like to have legal advice on the relevant parts of the Treaty. Lord Soames expressed the view that if the UK did not secure an agreement, the Government would be unable to continue to impose unilateral measures. Mr. Walker agreed and said that the UK would lose the case now being brought against us in the European Court; the case would then be transferred to British courts on the basis that UK conservation measures were impeding the fishing of our partners. The Prime Minister repeated that she would like to have legal opinion on all this.

Mr. Walker stressed that in his considered judgement the industry was now in favour of looking for an acceptable settlement. He thought that there was a 50:50 chance of securing one. Some of our partners were keen to settle and Commissioner Gundelach wished to achieve one. If the UK was ever to have any chance of settling on a satisfactory basis, that chance now existed - the UK's negotiating position would never be any stronger. Mr. Walker said that he would be glad to arrange for the leading representatives of the fishing industry to call on the Prime Minister. Mr. Buchanan-Smith had dined with the leaders of the Scottish industry very recently and had suggested to them an outline settlement which they thought might be acceptable; it would, of course, be impossible to find a settlement which would be totally satisfactory to everybody in the industry.

The Prime Minister said that we should stick out for a 50-mile zone of exclusive control. Mr. Walker said that this

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was simply not available. The Prime Minister said that the fishermen had trusted the Conservatives to get them a good deal: she could not agree to Spain entering the EEC until the British Government had secured one. The UK seemed to be giving way all along the line. Lord Carrington said that his considered view was that the UK would never have a better chance of securing a satisfactory deal; standing pat would not get us anywhere. If the fishing industry could not agree on an outline settlement, well and good; but if the Minister of Agriculture could produce proposals which the industry would go along with, it would be a very grave error to pass up the opportunity of achieving a settlement. Mr. Walker said that the industry had told him that they agreed with the principles on which he was working and had urged him to try for a settlement quickly. The industry was uneasy. He would like to prepare a detailed package and try it out on representatives of the industry individually. The Prime Minister said that he should put his ideas to the whole industry at once. Mr. Walker said that he did not wish to make his final position public to our partners. A 50-mile exclusive zone was not on offer; the Government's task was to find a way of securing the equivalent amount of fish by means of an agreement. He suggested that he might inform the Prime Minister of the likely reactions of the industry to his ideas before presenting a package to the industry as a whole.

The Prime Minister agreed that Mr. Walker could proceed on this basis. It should, however, be clearly understood that she would never agree to terms which the industry found unacceptable. Mr. Walker was not to adopt the approach of telling the industry that his terms were the best they could hope for and that they had better settle. In the last resort, the Prime Minister said, she was prepared to take the fisheries issue right down to the very roots of the UK's membership of the EEC. Lord Carrington remarked that this was a very serious statement to make and the Lord Privy Seal said that the Prime Minister's comment seemed to come close to the Labour Party's

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position on membership. If a deal could be found which was acceptable to the fishing industry, the Government had a duty to try for it.

Mr. Walker told the Prime Minister that President Giscard had called a meeting of the Council of Ministers for 27 June in order to put on the table a call for Community conservation measures in advance of the date (1 July) on which the UK's unilateral conservation measures came into operation. The UK would be legally in the wrong if she attempted to continue with her own conservation measures once the EEC measures came into force in September. In further discussion it was agreed that the French move did not pose any particular problem for the UK.

At the conclusion of the discussion, Mr. Walker said that he would like to continue his private talks with the industry and come back to the Prime Minister when he had put together the basis of an agreement which would be acceptable to its representatives. The Prime Minister agreed that Mr. Walker could proceed in this way but commented that, if she were to give her approval to the package which emerged, it would have to be on the lines to which the Conservative Party was committed in its Election Manifesto. This was an area in which her own personal commitment, particularly in view of her visits to the Scottish fishing constituencies, was very deep. *S.M.*

16 June 1979