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10 DOWNING STREET

From the Private Secretary

16 July 1980

PROBLEMS OF THE FISHING INDUSTRY

The Prime Minister has read your Minister's letter of 11 July, and has noted his proposal that further assistance of some £15 million should be provided to the fishing industry over the next 5-6 months. She has also read the Chief Secretary's minute of 14 July.

The Prime Minister agrees with the Chief Secretary that the proposal first needs to be discussed between Treasury and Fisheries Departments' officials. It can then be decided how the matter should be taken further.

I am sending copies of this letter to Malcolm Adams (FCO), Godfrey Robson (Scottish Office), John Craig (Welsh Office), Roy Harrington (Northern Ireland Office), Alastair Pirie (Chief Secretary's Office, HMT) and David Wright (Cabinet Office).

J. E. LANKESTER

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

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JD



PRIME MINISTER

Yes - very much so

PROBLEMS OF THE FISHING INDUSTRY

I have seen the Minister of Agriculture's letter to you of 11 July about the problems of the fishing industry.

2. There is no doubt of the growing public concern about the impact of current economic developments on the fishing industry, nor of the political problems that will arise in the areas directly affected. I would not wish therefore to discount the significance of the points made in Peter Walker's letter. At the same time there is substantial additional public expenditure proposed here, and there are a number of issues which deserve sorting out before the case for further assistance can be properly assessed. It is not clear for example how the £3 million earlier allocated for the fishing industry has been used nor how a further and much larger sum would be employed. If the case in principle for assistance to the fishing industry were to be accepted we would want to be sure that the money would be used in the most cost-effective way.

3. I would like to suggest, therefore, that before the matter is considered further the proposal be remitted to officials of the Treasury and of the Fisheries Departments for examination by them. This would include consideration of the case for providing such sums and the way the money might be used. You may recall that when the case for providing assistance for fisheries and horticulture was examined some months ago, the matter was remitted to an inter-departmental working party under the chairmanship of

Prime Minister

I very much agree with the
 Chief Secretary but Treasury Ministers
 should discuss Mr Walker's
 proposal before we decide
 how it should be taken
 forward. It is a bad principle
 for spending Ministers to come
 straight to you before going
 to the Treasury - and we ought
 to stretch it. Agree? (My entire

advice was
 that we
 should take
 this in

E: I
 am sure
 we will
 have to
 in due
 course,
 but
 we
 don't
 need
 to say
 so yet.

DL
 15/7

the CPRS. Peter's proposal, however, is very much more specific, relating to the extension and widening of an existing scheme, and involving a call on the contingency reserve. For this reason I think that exploratory discussions between Treasury officials and the Fisheries Departments would be a more appropriate way to proceed.

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

W. J. B.

JOHN BIFFEN
14 July 1980

14 JUL 1980

