



SCOTTISH OFFICE
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Agriculture
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MT

Am. Marsh

The Rt Hon Margaret Thatcher MP
No 10 Downing Street
LONDON SW1

This will go to
E soon after
27 March 1980
East,

Dear Prime Minister,

I am writing in support of Peter Walker's letter of 21 March to you proposing a fuel subsidy for the horticulture and fishing industries. My interest, of course, is primarily with the latter.

The £3m package of aid to the fishing industry announced on 13 March has been reasonably well received in Scotland. However, the industry sees it as no more than temporary relief. They argue that unless we continue our support, the industry will remain in decline. This is a view which I share and one which I think is well understood by the EEC Commission.

I agree with all that Peter says in his paper. Of the two possible methods of providing help, my strong preference is for making fuel available at a price which does not carry the full impost by Government. I need hardly stress that Scottish fishermen are acutely aware of the extent of our oil revenues. It seems strange to them that they should pay so dearly for a commodity which is present so abundantly below the sea and the effect of which is so apparent on the Scottish east coast - there is clear evidence that oil activities on occasions seriously interfere with their freedom to fish in these seas.

There is in my view a need to demonstrate that we intend to maintain a prosperous fishing industry. It is to the fishing industry that we must look for the future economic support of significant parts of Scotland when the oil industry declines. A fuel aid to the fishing industry now seems both just and prudent. Moreover it will help our relations with the industry in the difficult period before the Common Fisheries Policy is settled. It will also help keep the leadership of the industry in responsible hands.

I am sending copies of this to Geoffrey Howe, Ian Gilmour, David Howell and the other Agriculture and Fisheries Ministers.

Yours ever,

George

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