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10 DOWNING STREET

From the Principal Private Secretary

17 March 1980

Dear Gosh,

Prime Minister's Visit to Hull

When the Prime Minister visited Hull on Friday 14 March she called upon the Lord Mayor at the Guildhall. Mr. John Prescott M.P., Mr. James Johnson M.P., Councillor Doyle (Leader of the Council), Councillor Mitchell (Deputy Leader of the Council), Councillor Pearlman (Chairman of the Development Committee), Councillor Fenwick (Leader of the Conservative Group) and the Town Clerk were also present. The Lord Mayor handed the Prime Minister the attached letter about the future of the fishing industry in Hull.

At the invitation of the Lord Mayor Councillor Doyle amplified the letter. He said that he and his colleagues did not want to discuss long term fishing problems. Their concern was the immediate problem of the closure of the Fish Dock in the city. The Docks Board were charging £51 per tonne of fish landed, whereas the comparable figure for Grimsby was only £10. The fishing industry simply could not afford £51 a tonne, and the Hull Fishing Vessel Owners' Association (HFVOA) had just gone into liquidation as a result. The primary objective of the City Council was to keep the Fish Dock open. This meant that there had to be fish landings in Hull, no matter whether the fish was caught by British or foreign trawlers. Once the fish landings stopped, that would be the end of the port of Hull. The Council acknowledged the 3 million pounds worth of assistance to the fishing industry which the Government had announced the previous day, but they wanted something done specifically for Hull to see the city through the short term crisis facing them. For the longer term there was the possibility of establishing Hull as a European centre of excellence for the fishing industry on the lines suggested by Mr. Kevin McNamara in his letter of 10 March to the Prime Minister. The City Council supported this approach and thought that there should be Government assistance for it.

Councillor Pearlman said that Hull was in its present difficulties through no fault of the fishing industry. The crisis had occurred because of international circumstances: first, there had been the loss of the Icelandic fishing waters and now the European Community could not agree upon a Common Fisheries Policy. It was essential to keep the Dock facilities going until the CFP was settled and the long term future of the industry could be assured.

/Mr. Johnson

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Mr. Johnson said that if the HFVOA were still landing 250,000 tonnes of fish a year as they used to, the Dock charges would be manageable. But now their landings were much, much less, and £51 a tonne was more than they could afford. He believed personally that the Docks Board were charging too much, but they maintained that they had to charge a commercial rate if they were to remain competitive with other ports. The key was plainly to get more fish landed in Hull. It did not matter whether the fish was caught by British or foreign vessels.

The Prime Minister said that she was grateful to the Council for their clear presentation of the city's problems. She had taken note of what she had been told and she would study the letter they had handed to her with great care.

The Prime Minister then left the Guildhall and went to the Royal Station Hotel in Hull where, later in the evening, she met a number of representatives of the fishing industry in Hull - Mr. Tom Boyd, Mr. Neil Parkes, Mr. Colin Smales, Mr. Arthur Cook, Mr. Tom Nielsen, Mr. D.K. Cairns and Mr. W.E. Allen -, together with Councillor Pearlman, representing the City Council, and Mr. Bantock of the Docks Board.

Mr. Boyd said that he and his colleagues were very grateful to the Prime Minister for the opportunity to explain to her the problems of the fishing industry in Hull. Hull was the third largest fishing port in the United Kingdom and it had a very important contribution to make to the wellbeing of the country. It would be disastrous if the city lost its fish landing facility because of a row with the European Community. The major cause of the industry's present difficulties was the lack of fishing opportunities for its freezer vessels. Trawlers from Hull now had only 30 weeks fishing a year and this year they were likely to take about half of last year's catch. The maximum possible catch was now as low as 17,000 tonnes, and in practice no more than 12 or 13,000 tonnes would be landed. Faced with so small a catch and the Docks Board's landing charge of £52 a tonne, the HFVOA had had no alternative but to go into voluntary liquidation. The owners had done all they possibly could to prevent this happening. Last year they had negotiated with the TGWU an agreement which meant that landings in Hull would be cheaper than in Grimsby. They had taken other steps to improve efficiency and they believed that they were as competitive as possible. But the fact was that the industry was desperately short of fishing opportunities in distant waters. The British fishing industry observed the quotas imposed upon it, but many of our European partners and competitors did not do so. There was, for instance, the example of French fishermen who last year, despite a total ban on herring fishing, had landed 30,000 tonnes of herring at Boulogne. Other members of the Community were just as unscrupulous. We played cricket and observed the quotas, and they laughed at us. We were not able to enforce the quotas in our waters effectively. Nobody policed vessels from Community countries, and in any case our fishery protection vessels were often too slow to catch the trawlers of other countries suspected of breaking the rules.

/ Mr. Boyd

Mr. Boyd continued that he and his colleagues were convinced that Ministers were unaware just how much the UK contributed to the Community in the fisheries field. We allowed our partners to catch £500 million-worth of fish resources a year in waters which would be British if we had a 200-mile limit. On top of this, our annual imports of fish were running at £260 million, and most of this came from our European partners. At the same time, British FPOs were catching about £250 million-worth of fish a year, most of it from Community waters. He would write to the Prime Minister setting out the figures in more detail.

What he and his colleagues were seeking was assistance to keep Hull's freezer fishing capability going while negotiations on the CFP continued. There was a very real danger that by the time a settlement was reached, the British freezer fleet would be irredeemably depleted. The £3 million of assistance announced the previous day was useful but did not go very far. Hull's share of the £3 million, based on catch value, would be only £280,000. The city's fishing fleets would have nowhere to send 28 vessels for 20 weeks in the present year. It cost £2,500 a day per vessel to lay up the ships and pay the crews. £280,000 would therefore last for four days. That was the measure of the problem. The Hull fleet had to have new fishing opportunities very soon if it was to survive.

Mr. Smales said that the £1 million that had been provided for exploratory voyages should be used to encourage industrial fishing for species such as blue whiting, sand eels and sprats. It was important that commercial as well as scientific considerations were taken into account when the decisions were being taken about how to spend the money, and for this reason it was essential that the industry was consulted about the exploratory voyages.

Mr. Cairns said that the industry was facing hundreds of redundancies in Hull as a result in the liquidation of the HFVOA, and this in a city where male unemployment was already running at 10.5 per cent. He and his trade union colleagues had taken the initiative and suggested to the City Council and the Docks' Board that there should be a tripartite effort to save Hull as a fish landing port. The aim should be to build up Hull as a quality landing port which would attract both British and foreign fishermen. But that was for the longer term. Help was needed in the meantime. He did not know what ideas the trade unions, the Council and the Docks' Board would be able to put forward: much less was he able to talk figures. But what he was seeking was an assurance that the Prime Minister would be ready to receive a deputation which would put to her the city's proposals for the future of the fishing port when they were ready.

Mr. Cook said that he represented the fish merchants of Hull. His association had some 100 members, of whom 85 were very small firms employing four to five people. They had already contracted substantially, and the next step for them was complete closure. There had been only one landing in Hull since Christmas, and so the fish merchants were trying to survive by bringing in landings across land from other ports. But the whole structure of the fresh fish

distribution system required landings at Hull. The overriding objective of his association was therefore to retain the facilities of the Hull fish dock. It was desperately urgent that the CFP negotiations were completed in the next three months or so. Even Grimsby, with its advantages of having an inshore fleet as well as a distant water fleet and being closer to the open sea, had not been doing so well since Christmas.

The Prime Minister said that she was grateful to them for explaining the problems of the Hull fishing industry so clearly. Plainly the major requirement was to agree upon a CFP. In the meantime, although she could give no kind of undertaking or promise in advance, she was ready to listen to any reasonable proposition about the future of the port and she would be happy to receive a deputation, as Mr. Cairns had suggested, when there were proposals for discussion.

As you will see, the Prime Minister gave no commitments at all at either of her meetings in Hull on the fishing industry, but she would be grateful for the views of your Minister on the points that were put to her and in particular for his advice on how she should respond to the letter that was handed over to her in the Guildhall.

I am sending a copy of this letter to Godfrey Robson (Scottish Office).

Yours sincerely,

Heri Whitham.

G. R. Waters, Esq.,
Ministry of Agriculture, Fisheries and Food.