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10 DOWNING STREET

From the Private Secretary

1 October 1979

Som banth,

Tim Lankester wrote to you about the discussion between your Minister and the Prime Minister this afternoon on the subject of British agriculture. As you know, the Prime Minister and Mr. Walker were joined in the middle of their meeting by Mr. Buchanan-Smith for a discussion of fisheries problems.

Mr. Walker told the Prime Minister that there had been bilateral discussions between the UK and all the other members of the Community except Luxembourg, who had no interest in the matter, and France, who were not prepared to discuss the issue bilaterally. The French were not interested in reaching agreement but the outcome of the discussions which had taken place was encouraging. There was a deal to be done. The other members of the Community disliked the continuing uncertainty, recognised the need for conservation measures and were, in general, anxious for an agreement. The basis of the agreement seemed likely to be recognition of a 12 mile exclusive zone, subject to the renegotiation and phasing-out of historic rights; conservation measures; and a combination of quotas and agreements based on the special claims of particular communities in the 12-50 mile zone. Exclusive control in that zone was not negotiable. Mr. Buchanan-Smith said that the Government and the UK fishing industry, with which he had been in constant touch, were in broad agreement on what was required and negotiable where conservation, quotas, and the 12 mile zone were concerned. Only the situation in the 12-50 mile zone was still in dispute.

The Prime Minister expressed concern about the difficulties of monitoring an agreement, particularly in the outer zone. Mr. Buchanan-Smith said the fisheries protection service were accustomed to dealing with the problem although the shortage of fishery protection vessels constituted a problem. Agreement on a Common Fisheries Policy would be a major help since it would allow us to monitor landings of fish. The Common Fisheries Policy would provide, for instance, for the exchange of inspectors.

The Prime Minister asked about the situation that would arise if agreement on a Common Fisheries Policy was not achieved.

/Mr. Walker

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Mr. Walker said that the fishing industry were nervous about the prospect. The legal situation was unclear and the absence of an agreement would be fatal to the prospects of conserving the fishing stock. Mr. Walker said that it was his intention to put a paper on the fishery negotiations to OD(E) before the next meeting of the Council of Ministers (Agriculture) in mid October. Meanwhile, he intended to tell Mr. Gundelach that HMG did not think it fruitful to press for a quick agreement. We wanted a sensible deal and proposed to start by tackling the conservation aspects of the problem. We would hope that the Commission would withdraw the proposals at present on the table and agree to a process of patient negotiations stretching over a number of meetings. Mr. Walker said that he thought it likely that HMG would lose in the case at present before the European Court about our unilateral conservation measures. He would prefer to be already embarked on negotiations about conservation policy at the time the decision was announced.

The Prime Minister commented on the need to ensure that our negotiating position was supported by the industry. The Government could not be seen to be doing less than Mr. Silkin. Mr. Buchanan-Smith said that this was absolutely right. Members of the industry would be included in the British team who were going to Brussels. He was confident that the Government's present approach had the backing of the industry. They had been worried by Mr. Silkin's completely unyielding policy.

I am sending copies of this letter to George Walden (Foreign and Commonwealth Office) and to Martin Vile (Cabinet Office).

Yours Smerely Nuhael Alexander

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