

Fishing Club

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PRIME MINISTER

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Common Fisheries Policy

You are awaiting a report from the Minister of Agriculture covering the outcome of recent Ministerial bilateral exchanges with other member States, their private talks with the fishing industry, and the line which the Minister proposes to take at the 29-30 October Fisheries Council. The Cabinet Office has now seen the records of Mr. Walker's bilateral talks with the Germans, the Danes, the Belgians, the Dutch and the Italians (not of course with the French since Mr. Walker's opposite number has refused a meeting following the arrest of French boats fishing for crayfish off the South West coast) and it may be helpful if I summarise the impressions which emerge, but without any recommendations at this stage. We have not seen reports about the current attitude of our own industry.

2. It is evident that France is the member State most likely to put obstacles in the way of progress towards a satisfactory deal (to us) on fish, and to attempt to link it with the Budget issue at the November European Council. They have done nothing to deter their Breton fishermen from provocation and are hoping that the European Court will find against us. The Danes also object to our national conservation measures but unlike the French they have a real problem. On 1st October we are extending the "pout box", under which Danish industrial fishing in our North Sea waters is prohibited in order to protect fish stocks destined for human consumption. The Danes do not accept that the scientific evidence shows that a pout box is necessary for this purpose and their industry is in serious difficulty. The Belgians seem ready to show reasonable comprehension over a 12-mile exclusive zone but jib, as do other member States, at coastal state access preference beyond 12 miles. The Dutch Minister showed the most understanding and appears genuinely ready to work for a solution. The Italians are not really interested in what happens in the North Sea.

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3. It seems clear that it will not be possible to reach a settlement on the CFP at the October Fisheries Council. But to make it more difficult for the French to make a link with the November Budget negotiations we need to create an atmosphere which indicates that progress is possible. The Minister of Agriculture has, consistently with this, said in bilaterals that he expects that a settlement can be reached. Not all the cards are in the hands of our opponents: the French want to limit the benefits to Spain and hence to settle before Spanish accession. This is even more important for them than for us. Most other member States want progress on conservation and on arrangements with third countries. Nonetheless, it is clear that they will be hoping for some sign of movement on our part at or before the October Council or at least before November.

4. Of the elements of a CFP, the gap is probably smallest over conservation measures. It is for consideration whether we could afford to let conservation issues be detached and settled before the other elements. Mr. Walker has so far resisted this, as did the previous Government; but our freedom to act unilaterally is liable to be restricted soon by judgments from the European Court. We should be able to negotiate a better share on quotas (although as fish stocks deteriorate this will become more difficult) but clearly this issue cannot be detached from the other elements of an agreed package. It should be possible to secure agreement within the Community that exclusive access up to 12 miles from baselines should continue beyond 1982, although we shall have to negotiate our way out of existing historic rights and probably agree to maintain certain of them.

5. Access preference beyond 12 miles for coastal States has been a sticking point in the CFP negotiations for so long that a prospective way around it will have to be evident before November if the others are to believe that an overall agreement is genuinely on the cards. This would only seem to be possible if we dropped our insistence on preference for the coastal state and agreed that it should attach to areas of local dependence on fishing. This would suit Scotland, but would have serious implications for Humberside and the distant water fleet.

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The Minister of Agriculture may argue that some financial help for this sector will be a necessary part of any eventual settlement. You will obviously want the public expenditure implications to be carefully looked at.

6. As I suggested in my minute of 20th September, you will probably want to invite the Minister of Agriculture to bring his proposals to OD before the Fisheries Council. That will provide the opportunity to discuss both substance and tactics. OD(E) will be meeting on 3rd October to look at a paper by officials which raises the questions of negotiating tactics in relation to the November European Council and the advice emerging from that discussion will, of course, be reported to you.

John
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(John Hunt)

27th September, 1979