

To await comment from FCO and co.



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

Fishing

From the Minister

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PRIME MINISTER

17 July 1981

Dear Prime Minister,

FISHERIES

EC/FAROEES

You will recall the exchange of correspondence you had earlier in the year with the Danish Prime Minister about the Community's 1981 fisheries agreement with the Faroes. He asked us to lift our reserve. You pointed out the unsatisfactory nature of the Community's fisheries relations with the Faroes over recent years, in particular the fact that Faroese fishermen have been able to catch very much more in the waters of Member States than Community fishermen have been able to catch in Faroese waters. You also pointed out the absence of satisfactory restraints on the recently developed Faroese sea fishery for salmon.

In the run-up to the Fisheries Council on 27 July, we have been considering our position on the EC/Faroes Agreement. The Danes have a major interest in fisheries (the total value of their catch exceeds that of any other Member State). A fisheries settlement will not be possible without their acquiescence and they will not be inhibited from pursuing their aims vigorously, even, if need be, in isolation. There is no doubt that the Faroese issue is important to the Danes, and it is a serious obstacle to effective Anglo-Danish relations on fisheries matters, particularly in relation to France. We have therefore been working to achieve a resolution of this problem, but recent developments on herring could now overtake our efforts.

At the Fisheries Council on 27 July, Denmark will again ask us to lift our reserve on the EC/Faroes deal, but this time with a lever to use against us. The main issue at the Council will be the setting of total allowable catches and quotas for the herring stocks in the North Sea and West of Scotland. Agreement on this is of major importance to us to protect the herring in British waters from a free-for-all and to persuade our industry that their sacrifices in not fishing for herring in recent years have been worthwhile. Since the Danes have a substantial interest in preventing agreement on herring, it may well be that the only way I can get Danish agreement will be by lifting the reserve on Faroes. I am clear that the industry would support these priorities.

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I had previously in any case been seeking the improvements in the EC/Faroes arrangements so as to enable me to lift our reserve on the merits of the deal. Our officials have been in touch with the Danes and a satisfactory package had seemed to be possible, giving us most, though not all, of what we wanted. The main gain would have been a Council commitment on the nature and balance of the EC/Faroes fisheries arrangements in future years which would protect our interests by limiting the Commission's negotiating freedom. The commitment would also have required agreement on quotas for the Faroese salmon fishery by the end of the year. Such a Resolution would, of course, have had to be agreed by the Council. In addition, the Faroese would relax in 1981 and 1982 one of the area closures which has in the past hampered our fishermen.

This package would have met the main points you made to the Danish Prime Minister. In particular, the Resolution would ensure that in future the Commission negotiated within guidelines which protected our interests. I will continue to try to persuade the Danes to agree to this package in advance of the Council. But it will now be a surprise if the Danes accept. If they do not do so, I propose to keep open the possibility of conceding the Faroes Agreement if in the course of the negotiations on herring such a concession seems likely to secure a satisfactory settlement.

I am copying this minute to Peter Carrington, Ian Gilmour, George Younger and Sir Robert Armstrong.

Kate Timmins

for PETER WALKER

(Approved by the Minister
and signed in his absence)

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