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10 DOWNING STREET

From the Private Secretary

7 January 1982

POLAND

Thank you for sending me a copy of your letter of 7 January to Brian Fall on the question of factory fishing.

This matter was discussed at this afternoon's ad hoc Ministerial meeting (my copy of the letter arrived during the course of the meeting). It was decided that the Foreign and Commonwealth Secretary should be free to raise, at the NATO meeting on 11 January, the possibility that the proposed new licensing system for the transfer of fish caught by UK fishermen would be used to discriminate against Soviet factory ships. As I told you on the telephone immediately after the meeting, the Prime Minister hopes that your Ministers will be able to consult the Industry about this matter on Friday, 8 January.

I am sending copies of this letter to Brian Fall (FCO), John Kerr (HM Treasury), John Rhodes (Department of Trade), Ian Ellison (Department of Industry) and David Wright (Cabinet Office).

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Robert Lawson, Esq.,
Ministry of Agriculture, Fisheries and Food.



Ministry of Agriculture, Fisheries and Food
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From the Minister's Private Office

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Brian Fall Esq
Private Secretary to
the Foreign & Commonwealth Secretary
Foreign and Commonwealth Office
Downing Street
London SW1

7 January 1982

Dear Brian

POLAND

Thank you for sending me a copy of your letter of 6 January to John Coles. My concern is with the reference to factory fishing. My Minister, who is unable to attend this afternoon's meeting with the Prime Minister, is willing to accept that once a decision to introduce a system for licensing vessels to receive fish caught by UK fishermen has been taken, presentational use could be made of the fact that such a licensing system could be used to discriminate against Soviet vessels.

However, such a reference would need to be carefully handled. The threat of the loss of these outlets would be controversial within the UK fishing industry which has relatively large and important sales to Russian factory ships.

The more immediate problem is, however, one of timing. No decision has yet been taken to introduce a licensing system. Nor can such a decision be taken until the industry has been consulted. As Lord Carrington knows, the real reason for introducing licensing would be to support conservation measures which are already in force. It would, in my Minister's view, be quite wrong and cause real difficulties with our industry to say publicly that we were ready to contemplate licensing as a measure directed against the Russians, or to draw attention to the fact that a licensing system could so be used before the industry has been consulted on the

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proposal for a licensing scheme in the context of its real purpose and a decision taken. He therefore hopes that Lord Carrington will agree that consideration of how to use reference to the possibility of the use of a licensing scheme in the context of an initiative against the Soviet Union should be deferred until the decision on whether to introduce such a scheme has been taken. We expect this to be within the next two to three weeks.

While writing, may I also clarify a point about food sales to Poland. In the paragraph at the bottom of the second page of your letter you make a couple of references to "subsidised food to Poland". I take it that this phrase is intended to cover the special subsidy (15% below world prices) which the Community has been paying on various tranches of "food aid" over the last year or so, and that the Foreign Secretary is not proposing that export restitutions at normal rates (and under normal rules) should cease to be available for sales to Poland. Unless you correct me we will work on that interpretation.

I am sending copies of this letter to John Kerr (HM Treasury), John Coles (10 Downing Street), John Rhodes (Department of Trade), Ian Ellison (Department of Industry) and David Wright (Cabinet Office).

Yours sincerely

Robert Lawson

ROBERT LOWSON
Private Secretary

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