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SUBJECT CC MASTER

10 DOWNING STREET

From the Private Secretary

8 July 1986

MEETING WITH SIR EDWARD DU CANN

The Prime Minister this afternoon met Sir Edward du Cann at his request.

Sir Edward said that the All-Party Maritime Affairs Groups now numbered over 100 members and was continuing to grow. It was likely soon to begin to gather members from the European Assembly. It had been started by Mr Callaghan, Dr Owen and himself out of concern over the declining merchant marine in Western Europe and particularly in the United Kingdom, which was also dragging down ancillary industries. The United Kingdom Presidency of the Community offered a tremendous opportunity to take initiatives to help shipping which would gain wide support in the United Kingdom, in the Community generally and possibly even in Japan.

The Prime Minister pointed to the restrictions which other countries placed on cabotage, which the UK was pressing to have removed, to the considerable port charges in the United Kingdom and to restrictive practices imposed by the National Union of Seamen. Competitive subsidies would only tend to add to the problems. Sir Edward du Cann felt that the gap in costs was too large to be dealt with by changes in the rules on cabotage, port dues and the like, and that leadership and more constructive ideas were required. The European Community could for example adopt stronger state control of its ports, using safety standards and other means to ensure the survival of European shipping. There was now a tremendous opportunity to tackle the problem in ways which would go with the grain. Sir Edward said that he would send the Prime Minister a note on the possibilities.

There was no discussion of the salary of the Comptroller and Auditor General.

I am copying this letter to Michael Gilbertson (Department of Trade and Industry), Colin Budd (Foreign and Commonwealth Office) and Tony Kuczys (HM Treasury).

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Department of Transport.

David Norgrove

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