

PM/82/20PRIME MINISTER

A.J.C. 12/3

A.J.C. 1/3
f.a.Common Fisheries Policy

1. I have read Peter Walker's minute of 11 March about the state of play and prospects on the Common Fisheries Policy. I agree that we need to discuss this issue and to consider very carefully the arguments he advances for linking the CFP negotiation with this year's agricultural price settlement.

2. But I think we need to be aware that there are powerful arguments against our linking the two negotiations. It is very possible, I fear, that if we were to establish this link we should reduce our chances of effectively using agricultural prices to get an acceptable settlement on the budget. The agricultural price fixing is a valuable lever but we must not put on it more weight than it will bear. Our objective is to use it this year to get a satisfactory settlement on the budget. The ground has been well prepared for this. But to throw in fisheries as well, on the basis of a plainly artificial linkage, will seem excessive to our partners and will give them every incentive to look for ways of getting round the CAP prices lever. Politically it will be very difficult for them, and the French in particular, to agree to a deal which gives us satisfaction on both fish and the budget and which will lay them open to charges of giving in to us all along the line.

3. Nor do I believe that the judgement that has led us over the years to resist mainly French attempts to link fisheries with other issues has been wrong. The hard fact is that any CFP settlement will be criticised by the fishing industry in this country. But a settlement which is reached

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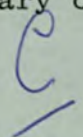


in a package with agricultural prices and the budget will be open to more damaging criticism, that we have sacrificed fisheries for the budget or agriculture, or per contra that we have given too much on prices or that we have got too little on the budget in order to secure a better deal on fisheries.

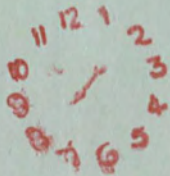
4. Before we reach any decision one way or the other on these matters, I think we need to be a good deal clearer about the prospects for making progress on the CFP on its own merits at the Fisheries Council which the Belgian Presidency are arranging for mid-April. That in my view will require an intensive programme in the weeks ahead of bilateral contacts with the Presidency and the Commission and also with those Member States principally concerned with the issue of access, in particular the French and the Irish.

5. Peter Walker is right to stress the need to clear our minds about the situation that could arise later in the year if the CFP negotiations were still continuing and decisive progress before the end of the year was not in prospect. I have no wish to question Michael Havers' judgement that, in the absence of a Community decision by the end of the year, the present arrangements based on the Accession Treaty will lapse. But I believe we should include in our contingency planning the possibility of securing a temporary roll-over of the existing access provisions.

6. I am copying this minute to the Chancellor of the Exchequer, the Minister of Agriculture, the Secretary of State for Scotland and to Sir R Armstrong.


(CARRINGTON)

0-11 MAR 1982



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