



A-J-C. 17/3.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

h-a.

WR 17/3

PRIME MINISTER

COMMON FISHERIES POLICY

I have seen Peter Walker's minute of 11 March.

2. This is clearly an issue we need to discuss soon. But I must make it clear that I have the gravest doubts about seeking to link the CFP negotiations with those on agricultural prices and the budget. The budget and agricultural price negotiations are now entering a delicate phase. It is already clear that we will have the greatest difficulty in persuading our partners to accept that the UK should make only a very modest net contribution to the Community budget. If at this stage we were now to insist that the CFP should also be brought into the package, it is quite probable that negotiations would come to a standstill and that we might lose control of the ensuing crisis. Even if the negotiations continued, there is a serious risk that we would end up with a solution on fisheries no better than we would be able to obtain in isolation, but that, merely as a result of having made the link, we would either have to accept, or appear to have accepted, a substantially worse settlement on the budget. In my view this is not a risk we can take.

3. Although I have not been in close touch with the negotiations on fisheries, I must say that I am not persuaded by Peter Walker's view that the threat of "fishing up to the beaches" will necessarily weaken our negotiating position at the end of the year. The fact is that, whatever the Treaty says on this point, there has never been "fishing up to the beaches" in the Community either before or after our accession. My guess is that other Member States, including the French, would think long and hard



before taking the major step of trying to exercise the Treaty right. It should not be all that difficult to convince them that we would be obliged by the domestic political pressures from our own industry to prevent their boats from fishing up to our beaches. Once this is brought home to them the other Member States should be willing, if it becomes necessary, to find a temporary solution at the end of 1982 which would allow the CFP negotiations to be carried through to completion.

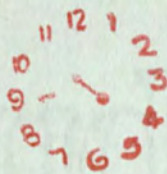
4. I am sending copies of this minute to the Foreign Secretary, the Minister of Agriculture, the Secretary of State for Scotland and Sir Robert Armstrong.

A handwritten signature in black ink, appearing to be 'G.H.'.

G.H.

16 March 1982

06 MAR 1982



COSSINGIOL

