

SUBJECT

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Fisheries Dept DSG

cc: Harter

Lee



cc: Amt
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10 DOWNING STREET

From the Private Secretary

18 March 1982

COMMON FISHERIES POLICY AND 30 MAY MANDATE

The Prime Minister held a meeting at No. 10 on 17 March to discuss the Common Fisheries Policy and the 30 May Mandate. The Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Minister of Agriculture, the Secretary of State for Scotland and Mr. Hancock were present.

Common Fisheries Policy

The meeting had before it the Minister of Agriculture's minute of 11 March and the comments on it by the Foreign and Commonwealth Secretary and the Chancellor of the Exchequer dated 16 March.

The Foreign and Commonwealth Secretary said that he was impressed by the arguments in the Minister of Agriculture's minute, but he thought it imprudent to make the link at the present time. He was not saying that we should in no circumstances make such a link, but he thought it could be dangerous for a number of reasons. If we secured a good solution to our budget problem it would cost the French a lot of money. They could not realistically be expected to make major concessions on both the budget and fish at the same time. The price fixing lever might thus be overloaded. Domestically, whatever the settlement, either the fishermen would say that their interests had been sold out because of the budget, or those with an interest in the budget would say the opposite. He was not convinced that the position at the beginning of 1983 was quite as serious as the Minister had argued. In the first place, we would be able to make it quite clear that we would not allow other Member States to fish up to our shores. Second, other Member States would not be at all happy about that result - for example, the French did not want the Spaniards to fish up to their shores. He thought therefore that the right answer was to see what could be achieved at the next Fish Council without making the link; make it quite clear to all concerned that we were not going to allow fishing up to our shores in 1983 whatever happened; and explore the possibilities of rolling over the present arrangements into 1983 so that we would be able to consider making a link with the 1983 price review.

/ The Minister of Agriculture

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The Minister of Agriculture said that he could see that adding fisheries to the present linkage would greatly complicate the negotiations and that this would be unwelcome to both the Foreign Secretary and the Chancellor. If it were the collective judgement that the link should not be made for that reason he would accept that view. But he felt it was right to point out to his colleagues just how difficult the situation at the end of the year would become. He was not at all sure that a rolling-over could be negotiated, since the other Member States did not have a clear incentive to agree to one. He did not believe that it was politically feasible to use the Navy to stop other countries' boats fishing in circumstances where, for the reasons explained in his note, prosecutions could not be secured. The French would take great delight in fishing in our waters after the end of the year and the resulting publicity would have serious political consequences.

The Secretary of State for Scotland said that the longer the negotiations on the Common Fisheries Policy went on, the more difficult it would become to persuade our industry to acquiesce. From that point of view, the sooner the negotiations could be brought to a climax the better. The position in January if no agreement had been reached would be extremely difficult. The Danes were already fishing within the 12 mile limit when they had no valid reason to do so; and they would almost certainly attempt to fish up to our shores as soon as the access provisions ceased to apply.

The Chancellor of the Exchequer said that a link with fish would damage the budget negotiations. The other Member States would not find it credible if we attempted to add fish to the linkage that we were already making. In the end there was a compulsion to get an agreement to the Common Fisheries Policy. He could not believe that the Community would wish to have an agreed policy of fishing up to the beaches - there was no precedent for such a thing. In his view legislation should be prepared for introduction if no agreement could be reached on a roll-over of the present access provisions so as to implement those provisions under domestic law. Such legislation would no doubt be criticised as contrary to the Treaty but in the last resort it would be better to incur such criticism than to permit fishing up to the beaches.

Summing up a short discussion the Prime Minister said that we could not make a link at the present time. The Minister of Agriculture should therefore prepare a paper analysing the ways of handling the fisheries problem on the assumption that no link would be made. This should include the Chancellor's suggestion for domestic legislation and any other possibilities that could be identified for increasing our leverage on the other Member States, such as retaliation and the use of arguments of national security to prevent entry into profitable waters.

30 May Mandate

The meeting had before them Sir Robert Armstrong's minute of 12 March covering a note by officials entitled "EC Budget Restructuring". After a brief discussion the conclusions in paragraph 18 of that note were approved.

/ I am sending copies

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I am sending copies of this letter to John Kerr (HM Treasury), Robert Lawson (Ministry of Agriculture, Fisheries and Food), Muir Russell (Scottish Office) and David Wright (Cabinet Office).

A. J. COLES

Brian Fall, Esq.,
Foreign and Commonwealth Office.

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MR COLES

--- I attach a draft letter for you to send to record the outcome of yesterday's meeting. You told me that you were not happy about sending a letter that said the Prime Minister had approved the conclusions of the paper "EC Budget Restructuring". However, the other Ministers present explicitly confirmed that they were content and for operational purposes I think we need to know whether these conclusions are approved. I should therefore be grateful if you could show the Prime Minister the paper again and ask her if she is content that you should write as drafted below.

D.H.

D J S HANCOCK

18 March 1982

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Draft ^{letter} ~~minute~~ from Mr Coles

To: Brian Fall Esq, Private Secretary/Foreign and Commonwealth Secretary

cc: J O Kerr Esq, H M Treasury
R C Lowson Esq, Ministry of Agriculture, Fisheries & Food
A M Russell Esq, Scottish Office
David Wright, Cabinet Office

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