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MR WHITMORE

COMMON FISHERIES POLICY

1. At a meeting with the French Fisheries Minister earlier this week the Minister of Agriculture was able to reach a bilateral understanding on access. This is the culmination of an intensive series of bilateral negotiations about access and it could pave the way to substantial progress being made at the Fisheries Council next Tuesday. There could then be a real possibility of reaching agreement on the Common Fisheries Policy (CFP) under the Belgian Presidency later in the month. No one is very happy about leaving the CFP negotiations to the tender mercies of the Danes.

2. If events develop favourably, Mr Walker may need to consult his colleagues quickly on whether to aim for a settlement this month or to continue the struggle under the Danish Presidency.

3. There is no need for the Prime Minister to take a view until the outcome of next week's Council is known and the Minister of Agriculture has made a judgement of what might be negotiable. But she may find it helpful to be aware of the state of play.

4. On access, the deal that is emerging looks as though it could be defended as consistent with both the election manifesto and the Prime Minister's statement of 26 April 1979. (copies are annexed). The industry will of course be disappointed but MAFF and Scottish Office officials are hopeful that their Ministers will be able to persuade the industry's representatives to acquiesce (even though with some understandable grumbling).

5. Quotas are more difficult. The Commission will not decide finally on its proposals until Monday and Mr Walker and his officials are now engaged in an intensive process of lobbying to persuade the Commission to put forward a reasonable deal for the United Kingdom. So far the omens are not very

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Prime Minister.

Tuesday's Council will show whether the bones of a deal are there, though no final decision will be reached at that meeting. Mr Walker will report to Cabinet on Thursday. Though a second Council will be needed.

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Wood and Mr Walker may decide that he cannot negotiate a sufficient improvement at a second Council in June. On the other hand, both he and Mr Younger are acutely aware that delay will not necessarily mean a better deal later on. They may therefore decide to recommend to their colleagues that the United Kingdom go for a quick settlement on the best negotiable terms even though they are a disappointment to the industry.

5. Looking at this problem from the perspective of the Government as a whole, the Prime Minister may attach importance to four separate reasons for trying to solve this long-standing problem in June:-

i. The CFP is of major political concern to Denmark but, unlike the United Kingdom, Denmark has no incentive to reach a settlement by the end of 1982. They may be tempted to try to hold the rest of the Community (and the United Kingdom in particular) to ransom during their Presidency.

ii. If the Belgian Presidency ends without a CFP agreement largely settled, there would thus be a strong probability that negotiations would drag on into 1983. Once the end-1982 deadline is passed and the derogations on access in the Treaty of Accession cease to run unless renewed, the negotiations would be likely to become overshadowed by legal uncertainties and recriminations. The resulting situation would be most unlikely to help the United Kingdom.

iii. From this September onwards the negotiations will be running in parallel with those on our budget problem; and some other countries might be tempted to link the issues to our disadvantage.

iv. The longer the dispute drags on, the greater the chance of it being an issue in the forthcoming general election.

6. No final view can or should be taken until the outcome of next week's Council is known. But the Prime Minister should be aware of the arguments in favour of making an all-out effort to sell a less-than-perfect package to the House of Commons, the industry and the country. There is some money in the Public Expenditure Survey for further aid to the industry in 1982 and this could help with the problem of securing the industry's acquiescence.

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11 June 1982

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an important role in meeting energy demand, together with a proper contribution from nuclear power. All energy developments raise important environmental issues, and we shall ensure the fullest public participation in major new decisions.

AGRICULTURE

Our agricultural and food industries are as important and as efficient as any that we have. They make an immense contribution to our balance of payments; they provide jobs for millions of people and they sustain the economy of the countryside. Labour have seriously undermined the profitability of these industries, without protecting consumers against rising food prices which have more than doubled during their term of office. We must ensure that these industries have the means to keep abreast of those in other countries.

We believe that radical changes in the operation of the Common Agricultural Policy (CAP) are necessary. We would, in particular, aim to devalue the Green Pound within the normal lifetime of a Parliament to a point which would enable our producers to compete on level terms with those in the rest of the Community. We will insist on a freeze in CAP prices for products in structural surplus. This should be maintained until the surpluses are eliminated. We could not entertain discriminatory proposals such as those which the Commission recently put forward for milk production.

The Uplands are an important part of our agriculture. Those who live and work there should enjoy a reasonable standard of life.

FISHING

The Government's failure to negotiate with our Community partners proper arrangements for fishing has left the industry in a state of uncertainty. The general adoption of 200-mile limits has fundamentally altered the situation which existed when the Treaty of Accession was negotiated. We would work for an agreement which recognised: first, that United Kingdom waters contained more fish than those of the rest of the Community countries put together; secondly, the loss of fishing opportunities experienced by our fishermen; thirdly, the rights of inshore fishermen; last, and perhaps most important of all, the need for effective measures to conserve fish stocks which would be policed by individual coastal states. In the absence of agreement, we would not hesitate to take the necessary measures on our own, but of course on a non-discriminatory basis.

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NEWS SERVICE

Release time: Immediate/Thursday, 26th April, 1979. GE725/79

The Rt. Hon. Margaret Thatcher
Leader of the Conservative Party

STATEMENT ON FISHING POLICY

The fishing industry is an essential part of the British economy, particularly in Scotland. It is a vital source of food and provides jobs for thousands of people both at sea and on shore, often in small communities that rely totally on fishing for their livelihood. The Conservative Party is committed to defending to the full the interests of British fishermen, and restoring stability and optimism to its future.

Despite this Government's boasts, they did not renegotiate the fisheries policy at all before recommending a 'Yes' vote in the 1975 European Referendum.

This matter is now urgent because of the time limit of 1982 set down for reaching agreements. However, in spite of that time limit we should not be prepared to agree to terms which were disadvantageous to our fishing industries.

We shall make fishing top priority in our EEC negotiations.

The proposals we have so far received from the EEC have been totally unacceptable. Our European partners must accept three fundamental facts.

- That the move to 200 miles limit since we joined the Community has changed both the entire international situation and our own circumstances.
- that our waters contain more fish than the rest of the Community put together

we must have

- we must have an agreement to a comprehensive policy on conservation. This should include:- (i) a limit on the total allowable catch. (ii) a clear set of rules to control the amount of fishing and the methods used. (iii) recognition that the coastal state must have sole responsibility for control over their waters, since they alone have the knowledge, the capability and will to enforce conservation rules. (iv) conservation rules which are enforced against fishermen from all nations and not just against British fishermen alone. (v) measures which are specially designed to protect the rights of in-shore fishermen.

In addition our negotiating aims will be for:-

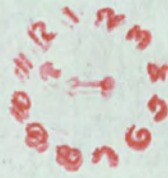
1. an adequate exclusive zone. ✓
2. a further considerable area of preferential access. ✓
3. a control system which enables us to police our own waters.
4. Britain must have a very substantial share of the total allowable catch which takes account of the fact that we are contributing most of the water and most of the fish.

Further conservation measures will be taken by Britain acting on her own if we cannot get agreement upon these points.

Fishermen will find a true and determined friend in the next Conservative Government.

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From the Principal Private Secretary

MR HANCOCK

CABINET OFFICE

COMMON FISHERIES POLICY

I have shown the Prime Minister your minute of 11 June reporting the present state of affairs on the negotiations on the Common Fisheries Policy, and she has noted that there is a possibility of reaching a settlement before the Belgium Presidency expires at the end of this month. She looks forward to hearing at Cabinet on Thursday of this week a report from Mr Walker on tomorrow's meeting of the Fisheries Council.

C. A. WHITMORE

14 June, 1982

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