



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

*Coyne will be
No more but
I will see from Paris
I will see will tell the man*

PRIME MINISTER

12 November 1982

COMMON FISHERIES POLICY NEGOTIATIONS

Over the last two days I have been in frequent discussions with the Commission to agree tactics that would persuade Denmark to support an agreement on the Common Fisheries Policy.

The best information I have is that the Danish Prime Minister and Deputy Prime Minister are both in favour of approving the agreement. The fisheries Minister, who is a new political figure, and new to Ministerial office, is against.

Thorn intends to send a message today to the Danish Prime Minister, substantially drafted on advice that I have given. It will indicate the considerable changes in the proposals now on the table that have been made to assist Denmark. It will point out the impossibility of any further concessions being made by the other 9 Member States. It will urge the Danish Government to speedily accept the package, once it has obtained the confirmation of one or two financial arrangements in favour of Denmark, such as the provision of a penetration premium for mackerel, some money for exploratory voyages and an agreement on investment in restructuring.

As we discussed earlier today, I would be grateful if you could consider the advantages of making a personal telephone call to the Danish Prime Minister, speaking to him as a fellow Conservative Prime Minister, whose Government has shown considerable understanding of his problems. I think that you should point out to him, in a friendly way, the certainty that your meeting with him in London on 22 November will be dominated by this issue if no agreement is reached before then; the only topic that the media would be interested in would be whether or not he is persuaded to accept a fisheries agreement, while the whole of the British fishing industry would be looking to your meeting to bring about that result. Likewise, the Danish fishing industry and media would be looking to him to resist a package which you were urging

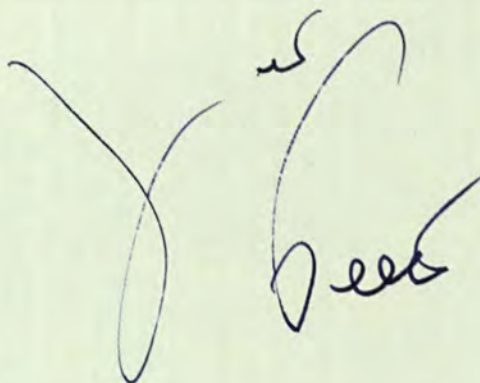
/him to

him to accept. In the event of continuing failure to agree there could be no doubt, and Mr Schlueter should be left in no doubt, that the German Chancellor, the French President and the Dutch and British Prime Ministers would all have to be seen at Copenhagen to be exerting the maximum pressure to bring about Danish acceptance of the agreement that the other 9 Member States have already accepted. It must therefore be worth saying that Mr Schlueter would obtain the maximum benefit by giving his agreement next week, before he arrives in London, and in the light of all the concessions that his Government have obtained and that his predecessors failed to obtain.

--- I attach a list of the improvements, from the Danish point of view, which have been made to the Commission's proposals. You will see at a glance that they are very substantial. I think if you decide to speak to Mr Schlueter it would be helpful to point out that the UK Government objected to none of the changes in quotas, although on quite a few of them we had a claim to a better share; that we have suffered immense criticism from the Shetland Islanders by accepting the idea of reducing the size of the North Scotland box in such a way as to eliminate the controls involved in an area where the majority of Danish boats fish; and that my Ministry has put in a great deal of work in order to see that landings of mackerel for processing in Danish factories have so far been more than doubled this year compared with 1981. We can therefore claim to have been very helpful to them. We can also warn that there is nothing further we can do and that if there is no agreement, hostility is bound to build up in the minds of the British public which could seriously endanger the very substantial Danish exports to Britain of bacon and butter.

I think that all of this, exchanged in the tone of a fellow Conservative politician, could make Mr Schlueter recognise that to settle, following the receipt of the Commission's letter this weekend, in the early part of next week, would guarantee a successful and good meeting in London and a Summit in Copenhagen which will be of benefit to his Government's political fortunes.

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

A handwritten signature in black ink, appearing to read 'Peter Walker', with a large, stylized initial 'P' and 'W'.

PETER WALKER

CONCESSIONS MADE TO DENMARK SINCE THE PROPOSALS OF THE 21st JUNE,
ACCEPTED BY 9 OTHER MEMBER COUNTRIES

Quotas

(Column A - Danish allocation in tonnes
Column B - Danish percentage of EC availability)

	<u>Original Proposal</u>		<u>Present Position</u>	
	A	B	A	B
Baltic Cod	82,000	72.8	90,000	78.3
North Sea Cod	44,140	19.8	50,000 (excludes 2000 tonnes for 1982)	20.5
West Greenland Cod			TAC Reduced and not allocated to meet Danish (Greenland) requirement	
N. Sea Haddock	7,000	5.1	11,500	7.7
N. Sea Saithe	4,000	6.1	5,940	8.7
N. Sea Plaice	20,000	15.4	26,000	20
N. Sea Herring	3,000	5.2	5,000	7.4
N. Sea Whiting	7,130	8.1	17,300	13.2

We agreed, with considerable difficulty, that the Danes, who have fished western mackerel and have caught 20,000 tonnes already this season, may continue fishing this stock until 31 March and may catch a further 7,000 tonnes under licence. (Clearly this would have to be the end of their fishing a stock to which they have no historic entitlement at all.)

The Germans have offered them 1,500 tonnes of North Sea haddock as a permanent addition to their quota as a further inducement for them to settle. In addition to this German offer, there was a possibility of a further 2,000 tonnes of cod for 1982, coming from Norway.

Access

There was one square remaining in the North of Scotland box in which a very substantial proportion of Danish fishing for industrial purposes took place. The Danes requested that this square should be removed from the box and we made that sacrifice in order to obtain Danish agreement. This has been strongly criticised by the Shetland Islanders and was a major concession by the UK to assist the Danes.

Supplies of Mackerel

The bulk of our mackerel was sold at good market prices to Eastern bloc factory vessels and the Danes complained that their manufacturing industry was not able to obtain the supplies they required. After lengthy talks at official level in Copenhagen and London we changed the quota management arrangements for our industry and the result has been that by the 8 November landings in Denmark of mackerel had been 17,000 tonnes compared with 8,000 tonnes in the same period of 1981. This was a considerable effort on our part. We have been willing to support the provision of a penetration premium for mackerel which will mean that the imports of mackerel from other Community countries such as Britain would receive a subsidy in Denmark financed by the Community. In practice of course this would be financed by Germany and Britain as contributors to the budget.

Trilateral Agreement

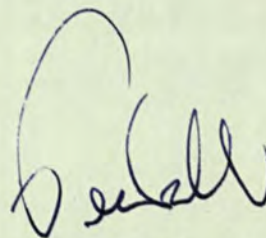
We agreed to drop the trilateral agreement between the Community, Norway and Sweden. This was a serious disadvantage to other Member States, reducing the potential stocks of herring available to them, but it was something the Danes required.

Financial Arrangements

We have agreed financial provisions for the restructuring of Danish vessels and for exploratory voyages to distant waters which gives a further financial inducement to Denmark.

Conclusion

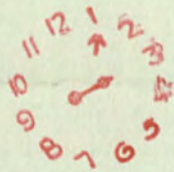
On any historic measure of quotas, access and all of the main ingredients of a fishing package, there is no doubt that this is a good package for Denmark. With such improvements as have been offered it must be wrong for them to block an agreement accepted by 9 Member States many of whom, such as ourselves, have had great difficulty in doing so.



Ministry of Agriculture,
Fisheries and Food

12 November 1982

12 NOV 1982



CONFIDENTIAL

GRS 175

CONFIDENTIAL

DISTRIBUTION SELECTION
FILE COPY

CONFIDENTIAL [FRAME FISHERIES]
FM COPENHAGEN 150900Z NOV 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 373 OF 15 NOVEMBER
INFO IMMEDIATE UKREP BRUSSELS
INFO SAVING OTHER EC POSTS

Ps / No to Savings St
(request of
Private
Office)

MY TELNO 370: CFP: DANISH VIEWS

1. AT HEAD OF CHANCERY'S FAREWELL RECEPTION ON FRIDAY, DANISH FOREIGN MINISTER TOLD ME AGAIN HOW ANXIOUS THE GOVERNMENT ARE TO REACH AGREEMENT. I ASKED WHETHER HE HAD ANY SUGGESTIONS AND HE OFFERED ONE ON TACTICS. MR ELLEMANN-JENSEN THOUGHT THERE SHOULD BE NO (REPEAT NO) FURTHER MEETING OF THE FISHERIES COUNCIL BEFORE THE EUROPEAN COUNCIL. HEADS OF GOVERNMENT SHOULD ASK FISHERIES MINISTERS TO PRODUCE A SOLUTION URGENTLY.

2. CHAIRMAN OF MARKET COMMITTEE, AT SAME OCCASION, ADOPTED AN UNUSUALLY SHARP TONE IN TALKING ABOUT UK POSITION ON CFP, ALTHOUGH HE LISTENED TO MY REHEARSAL OF OUR OWN PROBLEMS AND ARGUMENTS FOR FLEXIBILITY.

3. AS I UNDERSTAND A CONTRARY RUMOUR HAS CIRCULATED, IT MAY BE OF INTEREST THAT HE VOLUNTEERED THAT WHEN THE MARKET COMMITTEE FINALLY MET EARLY ON TUESDAY, THE PRIME MINISTER REPRESENTED THE GOVERNMENT AND (NO DOUBT BECAUSE OF THE PARLIAMENTARY ARITHMETIC) AT ONCE RECOMMENDED AGAINST ACCEPTING THE COMPROMISE PACKAGE, WHICH WAS CONSEQUENTLY BARELY DISCUSSED BEFORE THE COMMITTEE ENDORSED THE GOVERNMENT'S STAND.

FCO PLEASE PASS SAVING.

WARBURTON

FRAME FISHERIES
ECD (1)

[PASSED AS REQUESTED]

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

15 November, 1982

Dear Robert,

COMMON FISHERIES POLICY NEGOTIATIONS

The Prime Minister has seen the Minister of Agriculture's minute of 12 November.

After careful reflection, Mrs Thatcher has decided not to communicate with Mr Schlueter at this time. As you know, she sent a fairly strong message to him from Paris last week. There has been no reply and the Prime Minister doubts whether a further message will have the necessary impact. She prefers to await Mr Schlueter's visit to London next week.

The Prime Minister has asked me to convey to Mr Walker her thanks for his letter and her congratulations for the way he has conducted negotiations on this matter.

I am copying this letter to Roger Bone (Foreign and Commonwealth Office), Muir Russell (Scottish Office), Richard Hatfield (Cabinet Office) and John Kerr (H.M. Treasury).

*Yours ever
R. Lawson.*

R. Lawson, Esq.,
Ministry of Agriculture, Fisheries
and Food

30