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From the Private Secretary

4 December 1980

Common Fisheries Policy

The Prime Minister held a meeting this morning to discuss our negotiating position for the forthcoming meeting of the Fisheries Council on 15/16 December. The Foreign and Commonwealth Secretary, the Minister of Agriculture, the Secretary of State for Scotland, the Minister of State, MAFF and Mr. Franklin were present.

The Minister of Agriculture described the position now reached in the Common Fisheries Policy negotiations. The agreements reached on conservation and control were, broadly speaking, acceptable to the industry. On quotas the latest Presidency proposals envisaged a United Kingdom allocation of 35.2% of the total catch. This compared with a Commission proposal of 32.5% and was about equal to the catch which the industry had been achieving since the loss of the Icelandic fishing grounds. A slight further increase might be achieved, at the expense of the Danes, in the course of further negotiations but no substantial change could now be expected. It was not yet clear what we would achieve on access. But if we got something close to what we were now demanding, it should meet the main requirements of the industry.

In the ensuing discussion the following points were made:

- (a) Britain's negotiating position had all along been very weak, not only as a result of the agreements reached during our negotiations for entry but also as a result of the 1976 Hague Agreement. (Mr. Walker agreed to produce a note for the Prime Minister on the latter.) In the absence of a new agreement, our Community partners would have the right to fish up to the beaches as from January 1983;
- (b) the industry had been carried along with the present negotiations to an unprecedented degree. The owners of the distant water fleet would no doubt complain whatever the outcome of the negotiations. Their ambitions were quite unrealisable and it was clear that they were primarily interested in compensation. But the rest of the industry - the inshore owners and the Scottish fishermen - were likely to welcome the end to uncertainty which an agreement would bring. They were becoming increasingly realistic about the prospects;

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- (c) more had been achieved in those areas where agreement had already been reached than could reasonably have been foreseen. The outcome in the other areas also seemed likely to be unexpectedly favourable;
- (d) although there was no provision in next year's Community Budget for compensation, there was room within it for compensation to the extent of perhaps 100 meua. The total compensation envisaged for compensation over the next five years was of the order of 450 meua;
- (e) when the crunch came in the negotiations, the industry might well ask to see the Prime Minister. The line which she took with them would of course be of great importance.

The Prime Minister said that she recognised that a package of the kind described by the Minister of Agriculture was probably the most that could be attained. She was nonetheless worried about its likely reception. It could strengthen the hand of the anti-European lobby and of the Scottish Nationalists. It would therefore be essential to ensure that the industry went along with the outcome of the negotiations. She agreed that the Government should be aiming for a reaction from the leaders of the industry to the effect that "we do not like the agreement but the alternative, i.e. no agreement, is worse and we therefore recommend acceptance". The Government would need to be able to demonstrate clearly that no more could possibly have been attained and that the negotiations had been conducted and concluded on their own merits rather than as part of some larger deal.

I am sending copies of this letter to Paul Lever (Foreign and Commonwealth Office), Godfrey Robson (Scottish Office) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Miss Kate Timms,
Ministry of Agriculture, Fisheries and Food.