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Ref. A09765

PRIME MINISTER

Common Fisheries Policy

I understand that you would like advice for your meeting with the Foreign and Commonwealth Secretary and the Minister of Agriculture on Friday, 15th June. You may wish to focus on the following issues:

- (i) Legalities. The Minister of Agriculture argues that a speedy settlement is desirable because the European Court will find in favour of the Commission and against our power to take national conservation measures. How serious is this risk? In Mr. Cartledge's letter to Mr. Walker's Private Secretary, you have argued that the fishing waters concerned belong to the United Kingdom and that the fish should be ours as well. Is there any chance of sustaining a legal case based on this argument? Would it be worth getting the opinion of the Law Officers?
- (ii) Enforcement. There are two issues here. You have made the point that quotas are unenforceable. Mr. Walker to comment. Is there any practical alternative? Our fishermen believe that other countries cheat (? more than we do). Would a community policy make this problem any easier to deal with? In his letter, he makes the point that responsibility for policing will rest with the Member States. Do we have adequate resources? This is something on which Ministry of Defence will have to advise. The Irish have been given Community money to strengthen their fisheries protection. Could we do the same?
- (iii) Negotiability. The Minister of Agriculture has said that his proposals should be negotiable within the Community. You will want to press him on the chance of securing something more radical than he has proposed. He will have seen Mr. Gundelach on 3rd June and may be able to shed more light on the Commission's ideas. Mr. Gundelach has said publicly that he was close to an agreement with Mr. Silkin earlier in the year.

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What would have been the elements of that settlement? In particular, would it not be possible to secure a much wider area of preferential access based on the principle of local dependence on fishing? That would suit Scotland very well, England less so. You might also wish to sound out the Foreign and Commonwealth Secretary on the possible scope for obstructing the accession of Spain and Portugal until the fisheries problem has been resolved.

(iv) Saleability. The Minister of Agriculture says there have been talks with the industry. You will want to press him on how far they would be likely to give public support or acquiescence to his proposals. You will remember that at an earlier Cabinet discussion the Secretary of State for Scotland said that the industry was now reconciled to not getting 50 miles. But what about opinion in the House?

(v) Priorities. The Government is committed to making progress on three key issues: the budget and the CAP (both of crucial political and economic importance) and fish (of great political importance). To what extent is there, or need there be, a linkage between these negotiations? In other words, is a settlement on fish necessary before we can expect substantial progress on the budget: and is the nature of the settlement on fish likely to affect Community (in particular German and French) attitudes on the budget? It is worth remembering that during the entry negotiations Mr. Heath eventually had to give ground on our budget contribution because he had over-staked his position on New Zealand butter and cheese. It will be important to avoid getting into this position on fish, while at the same time getting a settlement that is politically acceptable in this country.

2. It seems to me that, until you have a clearer picture on each of these five issues, it will not be possible to form a judgment as to whether on the one hand your ideas can be reconciled with our other objectives in Europe and, on the other hand, whether Mr. Walker's ideas can be reconciled with the Manifesto commitments. I suggest that, in the light of your discussion, Mr. Walker should be asked to put a paper to OD, i.e. under your chairmanship, setting out the considerations under each of these heads.