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CONFIDENTIALC.(53) 153COPY NO. 7011TH MAY, 1953CABINETICELAND FISHERIES DISPUTEMemorandum by the Minister of State

On 18th December, 1952, the Cabinet agreed in principle to refer the dispute to the International Court of Justice (C.C. (52) 106th Conclusions, Minute 5).

2. Subsequently the Foreign Secretary explained in his paper C. (53) 16 dated 13th January the reasons which made it undesirable to refer the whole dispute to the Court, and recommended that the Iceland Government should be asked to agree to a reference of the Faxa Bay issue only.

3. The Cabinet agreed to this course on 14th January (C.C. (53) 2nd Conclusions, Minute 3).

4. The Iceland Government in reply enquired whether, if the Faxa Bay issue were referred to the International Court, the British fishing industry would undertake to withdraw the ban on landings of Iceland fish when the Court had given judgment. As the Foreign Secretary informed the Cabinet on 26th March (C.C. (53) 23rd Conclusions, Minute 6), he and other Ministers were told on 25th March by representatives of the British fishing industry that they were not prepared to give such an undertaking. The Iceland Government thereupon refused in effect to agree to a reference to the International Court, as is shown by the annexed copy of the exchange of letters between the Joint Parliamentary Under-Secretary for Foreign Affairs and the Iceland Minister.

5. In anticipation of the Iceland Government's refusal to agree to a reference to the International Court without an undertaking that the ban would be removed as soon as the Court had given judgment, Ministers agreed on 27th March to place the dispute on the agenda of the first meeting of the Permanent Commission which has been set up under the Overfishing Convention. The Commission agreed at its meeting on 8th May that the International Council for the Exploration of the Sea should be asked to arrange for the study of various conservation problems, among them that of conserving fish stocks in Northern waters, including waters in the neighbourhood of Iceland. The Council will be asked to advise the Commission of the results of its studies.

Conclusion

6. A complete impasse has been reached. The latest information from Grimsby suggests that the British trawler owners and skippers are likely to be as firm as ever in their stand. They are deeply concerned not only that Iceland has not shown herself prepared to make the least concession, but also that British landings from distant fishing grounds (including the grounds around Iceland where fishing conditions are exceptionally favourable this year) are heavy and are associated with slack markets in this country, with the result

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that prices are low and, in general, unremunerative. They are also concerned at the declared intention of Mr. George Dawson, a British financier, to sell Iceland fish on the British market in defiance of the ban. According to a press report on 11th May, Mr. Dawson has now signed a contract with the Iceland Trawler Owners Association, the President of which is reported to have stated that Mr. Dawson has been granted a concession for a number of years. Mr. Dawson has already been to Grimsby to discuss arrangements with the docks authorities for landing fish there.

7. On the other hand, there is no possibility of persuading the Iceland Government to modify their attitude until after the general election in June. There is therefore nothing to be gained for the present in attempting to persuade either party to agree to a compromise; nor is there any effective means of coercing either the Iceland Government or the British fishing industry.

Recommendations

8. I accordingly recommend that a further communication should be made to the Iceland Government, pointing out that Her Majesty's Government have made repeated attempts to bring about a settlement of the dispute and that each time the proposals have been rejected or frustrated by the Iceland Government. Her Majesty's Government have already made it clear to the Iceland Government that they cannot guarantee that the landings ban will be lifted when the International Court has ruled and they do not, for the present, propose to take any further initiative and that it is for the Iceland Government to make some constructive proposal. The point of this is that the record must be completed before we can make a statement in Parliament. We can afford to wait on an initiative from the Iceland Government because the Icelanders do not normally sell their fish here in the summer. The communication to the Iceland Government would be followed by a statement in Parliament on similar lines in order to make clear the position of Her Majesty's Government.

S. L.

Foreign Office, S. W. 1.

11TH MAY, 1953.

ANNEX

Foreign Office, S. W. 1.

31st March, 1953.

When you called on me yesterday, you asked me to confirm in writing the proposal relating to the fisheries dispute which I made to you on 20th January.

This proposal was that, in order to secure an early decision on a clear-cut and straight-forward issue, Her Majesty's Government and the Icelandic Government should agree to refer to the International Court of Justice the question whether the Icelandic Government are entitled

under International Law to use the line drawn across the Faxa-Floi by Article 1 of the Regulations issued by the Icelandic Minister of Fisheries on 19th March, 1952, namely the line Eldeyjardrangur (Point 39) - Galuvikurtangi (Point 40), as a base line from which to measure their exclusive fishery limits.

In the course of our conversation I made it clear that Her Majesty's Government naturally retained their point of view with regard to all the other limits, which was set out in the Notes which had been addressed to the Icelandic Government last year.

If the Icelandic Government agree to the proposal of Her Majesty's Government, Her Majesty's Government will be happy to discuss with a representative of the Icelandic Government the form of the Special Agreement under which the issue shall be submitted to the International Court.

(Signed) ANTHONY NUTTING

His Excellency
Monsieur Agnar Kl. Jónsson.

Icelandic Legation,
17, Buckingham Gate,
London, S. W. 1.

24th April, 1953.

Dear Mr. Nutting,

I have the honour to inform you that I am under instructions from my Government to give the following reply to your letter of 31st March, 1953.

The Icelandic Government wish to repeat that they are prepared to refer to the International Court of Justice the dispute between our two Governments arising from the Regulations of 19th March, 1952, and are prepared to enter into discussions with Her Majesty's Government as to how the matter may be so referred, provided that the landing ban be immediately lifted, when agreement has been reached in this respect.

Yours sincerely,

(Signed) AGNAR KL. JÓNSSON

Anthony Nutting, Esq.

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