

CONFIDENTIAL FILING

Visit of New Zealand opposition leader - Mr David Lange
Visit of Mr. Jim Bolger.

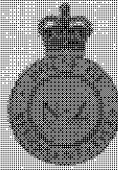
NEW ZEALAND

JANUARY 1984

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15-8-84							
7-8-89							

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PREM 19/2790



*Leader of the Opposition,
House of Representatives,
Wellington.*

*Telephone 04-735 025
Fax 04-737 045*

7 August 1989

Prime Minister Thatcher
10 Downing Street
London
UNITED KINGDOM

Dear Prime Minister

Having safely returned to New Zealand and settled the immediate issues at hand, I write to thank you for making the time available for our meeting during my recent visit to London.

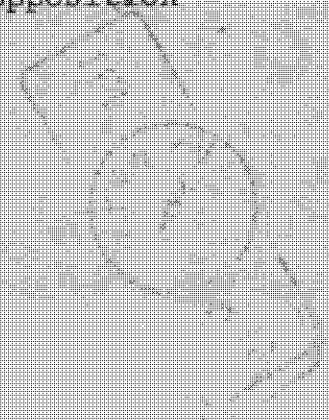
I enjoyed our discussion and, in particular, hearing your perspective on the many important changes taking place in Europe. Your personal support and that of your government for New Zealand's case inside the European community is appreciated by all New Zealanders.

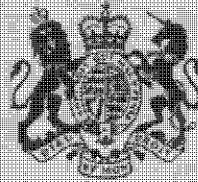
News of your Cabinet reshuffle has recently reached New Zealand, and I wish you and the new team well in the lead up to the next election.

Kind regards.

Yours sincerely

Hon J B Bolger
Leader of the Opposition



SUBJECT *cc mark*
OPS*FILE* *Saw*
G. B. PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

13 June 1989

See steps.

PRIME MINISTER'S MEETING WITH
THE NEW ZEALAND LEADER OF THE OPPOSITION

The Prime Minister had a talk this evening with Mr. James Bolger, leader of the Opposition in the New Zealand Parliament.

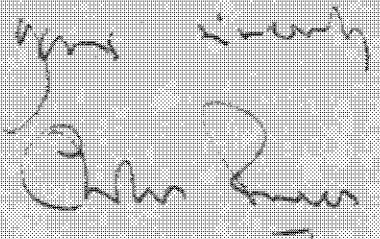
Mr. Bolger seemed very confident of the National Party's ability to maintain its lead in the polls between now and the election late next year. The Labour Party had plunged the country into very considerable economic difficulties, above all the farming sector. At the same time Mr. Lange had over-played his hand on defence and his recent speech at Yale in which he had held out the prospect of New Zealand withdrawal from ANZUS had gone down very badly right across the board in New Zealand. Even so, the Government's anti-nuclear position remained very popular and a difficult one for the Opposition to tackle. Mr. Bolger would not commit himself on exactly how the National Party would deal with this issue in an election campaign. But he commented that he wholly managed to draw applause by regretting the absence of American and British ship visits. Events in China had begun to bring home to people that defence actually mattered and New Zealand needed friends. The Prime Minister cautioned Mr. Bolger against complacency. It was never a good idea to rely on the other side's mistakes. The National Party must have its own clear policies.

Mr. Bolger asked the Prime Minister's views on East/West relations and on the European Community, with which she obliged.

Mr. Bolger expressed concern about the time it was taking for the EC to pronounce on the Commission's proposal for access for New Zealand butter and sheep meat for 1989/92. This was causing considerable uncertainty in New Zealand. He understood that the delay was caused by the Community's inability to settle its own sheep meat policy. The Prime Minister said she was not fully up with all the details but knew that we were doing our best to get the

Commission's proposal adopted. Mr. Bolger again stressed the hardship being faced by the farm sector in New Zealand. As a graphic example, killings of lambs had declined from 39 million 1984 to 21 million this year. The banks were fore-closing on mortgages, restricted only by the difficulty of selling the land.

I am copying this letter to Brian Hawtin (Ministry of Defence), Jonathan Taylor (HM Treasury) and Shirley Stagg (Ministry of Agriculture, Fisheries and Food).

A handwritten signature in dark ink, appearing to read 'C. D. Powell', is written over a faint, illegible typed name. The signature is fluid and cursive.

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

SRWCAF

PRIME MINISTER

MEETING WITH THE NEW ZEALAND LEADER OF THE OPPOSITION

You are to see Mr. Bolger, Leader of the New Zealand National Party, tomorrow. You last saw him two years ago and a note of that meeting is in the folder.

There has to be an election in New Zealand by October 1990 and at the moment Mr. Bolger's party is leading by 33% in the polls. But he lost the last election on the same policies which he is offering now.

The main issue of concern to us is Defence. It is not clear how sound the National Party really are on this. They want naval visits to resume and New Zealand to return fully to ANZUS, but are nervously aware that Lange's anti-nuclear policies are popular in New Zealand. My guess is that they would do the right thing if elected, but won't exactly boast about it during the election campaign.

On the economic front, the New Zealand economy is drifting particularly since the removal of Mr. Douglas as Finance Minister. A satisfactory proposal on access for New Zealand butter has been put forward by the Commission, but EC Ministers have yet to reach a decision on it.

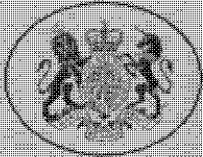
I imagine that you will want to talk mostly about the political prospects and the policies he will put forward for the next election.

C.D.P.

(C. D. POWELL)

12 June 1989

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Foreign and Commonwealth Office

London SW1A 2AH

12 June 1989

Jan Charles

Call by the New Zealand Leader of the Opposition,
The Hon James Bolger: 13 June

The Prime Minister has agreed to see Jim Bolger on Tuesday 13 June. She last met him in March 1987 (your letter of 3 March). It is very likely that Mr Bolger will win the next election, due by October 1990, and become the next New Zealand Prime Minister. I enclose a biographical note and a copy of Wellington tel no 239 describing his and his Party's current situation.

We suggest that the Prime Minister's objectives for the call might be:

- to ascertain a National Party Government's likely policies, particularly on defence and nuclear issues, and as affecting relations with the US, Australia and the UK;
- to impress upon Mr Bolger our hope that a National Party administration would lead to a more internationalist and less introspective mood in New Zealand.

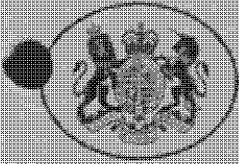
Mr Bolger will probably refer to New Zealand's current economic situation, and to the Uruguay Round and New Zealand trade issues. He is likely to be interested in the Prime Minister's assessment of development in East/West and in China.

Defence and Nuclear Issues

We expect Mr Bolger to want to reassure the Prime Minister about a National Party Government's defence and nuclear policies. The change of Government is likely to be in Western interests. Under Mr Lange New Zealand's Western commitment has weakened. The National Party want to revive it.

The Lange Government's nuclear legislation effectively prevents R.N. visits and bilateral naval exercises. It has led the US to suspend obligations under the ANZUS Treaty and to withdraw intelligence

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cooperation. Relations with the US are poor.

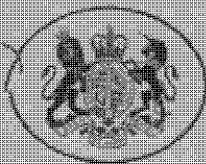
In a recent speech at Yale University, Mr Lange said New Zealand ought to consider whether to withdraw from ANZUS. This surprised and upset even his own Ministers, and went down badly with New Zealand public opinion. Afterwards, representatives of Mr Bolger's Party asked our High Commissioner what changes to New Zealand's anti-nuclear legislation would be needed to enable us to resume naval visits. Mr Byatt responded, informally, that as a minimum we would require the removal of the clauses obliging the New Zealand Prime Minister to satisfy himself that visiting ships are not nuclear armed, and the lifting of the ban on nuclear-powered warships.

The Lange Government continues to advocate defence cooperation with Australia but is wavering over a decision about replacing its four ageing frigates under a joint Australia/New Zealand programme. It is now contemplating lease rather than purchase. The project is highly controversial in New Zealand. The "peace movement" and Labour left fiercely oppose it and public opinion tends to the view that there are more pressing priorities.

Economic Situation

Under Mr Muldoon's National Government the economy was highly regulated and sluggish. It averaged growth of only 1.4% in the decade to 1983. With the advent of the Lange Government the then Finance Minister, Mr Douglas, introduced radical policies involving tight monetary control, deregulation, major reform of the tax structure and of public sector financial markets and repeal of protective measures. As a result, inflation was reduced to below 5%, the public deficit to under 2% of GDP (compared to 6.9% in 1983/84) and the current account deficit to 2% (7.5% in 1983/84). But the price was recession (in 1987/88 real GDP fell by 1%) and considerable hardship (unemployment has risen to 10.5%). Mr Lange dropped Mr Douglas in December 1988 and appointed Mr Caygill as the new Finance Minister. This caused great uncertainty and worries about reversal of policy.

Although there has been a small improvement in the economy this year, it seems to have been mainly due to stockbuilding and buoyant exports resulting from good commodity prices. There has still not been real recovery. Under Mr Caygill there has been some weakening



of the general commitment to fight inflation and avoid Government intervention. Efforts to progress with the privatisation programme have not been very successful.

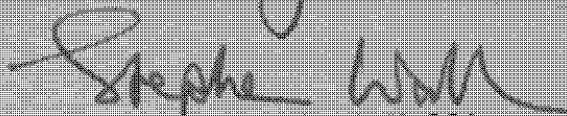
Trade Issues

Last October, the European Commission put forward proposals for access for New Zealand butter and sheep meat for 1989/92 based on an understanding with the New Zealand Minister for External Relations and Trade, Mr Moore. However, the Agricultural Council has so far failed to adopt the Commission's proposal. We believe the proposal represents a fair balance of the interests concerned and will continue to urge the Community to adopt it.

The New Zealand Minister, Mr Moore, has described the outcome of the April GATT Trade Negotiations Committee meeting as "the most important development for New Zealand farming since refrigeration". We also regard the arrangements reached in Geneva as a good outcome: the agreement on agriculture is a firm basis for negotiating sustained cuts in support and protection from 1991; and in the meantime there is agreement to freeze current levels of support and protection in 1989 and make reductions in 1990. We will continue to press the EC to be constructive and to maintain the momentum of CAP reform.

The Prime Minister will wish to dispel any anxieties Mr Bolger may have about a "Fortress Europe".

I am copying this letter to Brian Hawtin (MOD), Jonathan Taylor (HMT), Shirley Stagg (MAFF) and Trevor Woolley (Cabinet Office).

Jan,

 (J S Wall)
Private Secretary

C D Powell Esq
 10 Downing Street

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BOLGER, HON JAMES BRENDAN MP

(National, King Country).

Leader of the National Party.

A first generation New Zealander. Born 1935 in Tarankaki where he was educated and lived until 1965. He has wide farming experience. He now breeds sheep and beef cattle and runs a Hereford Stud. He held various offices in farming organisations and before being elected a member of Parliament he was a provincial Vice-President and a "Dominion Councillor" of Federated Farmers.

Promoted 1977 from Parliamentary Under-Secretary to Minister of Fisheries, Associate Minister of Agriculture. He was given the difficult Labour portfolio in 1978. Visited the United Kingdom August 1977 to see something of UK fisheries industry. Minister of Labour until July 1984. In office he had the reputation of standing up to Sir R Muldoon in Cabinet - no mean feat. He is his own man. He was elected as Deputy Leader of Jim McLay 1984. Failed in a rather half-hearted attempt to become Leader in late 1985 and finally became Leader in April 1986.

Of Irish parentage, is a Catholic and married with nine children. Category I sponsored visitor to UK 1987.

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FM WELLINGTON
TO IMMEDIATE DESKBY D80900Z FCO
TELNO 239
OF D80500Z JUNE 89

FOR SPD
VISIT BY MR BOLGER: STATE OF THE NATIONAL PARTY

SUMMARY

1. SHORT OF A MIRACULOUS RECOVERY BY THE GOVERNMENT, JIM BOLGER SEEMS SET TO LEAD THE NATIONAL PARTY TO VICTORY IN NEW ZEALAND'S NEXT GENERAL ELECTION, DUE BY OCTOBER 1990. WINSTON PETERS, A PRETENDER TO THE PARTY LEADERSHIP IN LONGER TERM, BUT NOT AN IMMEDIATE THREAT. NEED FOR NATIONAL TO PRESENT CLEAR POLICIES IF IT IS TO WIN ON MERIT AND NOT BY DEFAULT. RECENT CREATION OF NEW LABOUR PARTY LIKELY ON BALANCE TO FAVOUR NATIONAL'S CHANCES.

DETAIL

2. AN OPINION POLL ON 4 MAY PUT THE NATIONAL PARTY AN EXTRAORDINARY 33 POINTS AHEAD OF LABOUR. EVEN IF THIS MARGIN IS UNSUSTAINABLE, THE DEGREE OF DISARRAY WITHIN THE GOVERNMENT STILL POINTS TO A LIKELY WIN BY NATIONAL IN 1990. NATIONAL'S LEAD, HOWEVER, HAS BEEN GAINED LARGELY BY DEFAULT, IN THAT THE PARTY HAS NOT YET PRESENTED A COHERENT POLICY PROGRAMME. IT IS NOT CLEAR, FOR EXAMPLE, WHETHER A NATIONAL GOVERNMENT WOULD PURSUE MARKET-ORIENTATED ECONOMIC POLICIES FAVOURED BY ITS SHADOW FINANCE MINISTER, RUTH RICHARDSON, OR THE MULDOONIST INTERVENTIONISM PREACHED BY WINSTON PETERS. ON DEFENCE, NATIONAL HAVE SAID THAT THEY FAVOUR CONTINUED MEMBERSHIP OF ANZUS AND THE RESUMPTION OF RN AND US SHIPS VISITS, BUT HAVE NOT EXPLAINED (BEYOND REFERENCES TO MUTUAL TRUST) HOW THE LATTER COULD BE ACCOMMODATED WITHIN THE TERMS OF PRESENT NZ LEGISLATION. BUT WITH THE ELECTION STILL MORE THAN A YEAR AWAY IT MAY BE TACTICALLY SOUND TO DEFER MAKING DETAILED POLICY COMMITMENTS NOW.

3. DESPITE A SOMEWHAT STOLID AND UNINSPIRING PUBLIC IMAGE, BOLGER COMMANDS THE LOYALTY OF MOST OF THE INFLUENTIAL MEMBERS OF HIS CAUCUS, AND AS LONG AS NATIONAL RETAINS A SUBSTANTIAL ADVANTAGE OVER LABOUR IN THE POLLS HIS POSITION AS LEADER IS SECURE. HIS SHADOW SPOKESMAN FOR MAORI AFFAIRS AND EMPLOYMENT, WINSTON

PETERS, REGULARLY OUT-POLLS HIM (AND MR LANGE) AS PREFERRED CANDIDATE FOR PRIME MINISTER. BUT PETERS, THOUGH A SKILFUL AND CHARISMATIC POPULIST WITH UNDOUBTED LEADERSHIP AMBITIONS, DOES NOT HAVE MANY FRIENDS IN CAUCUS, AND ONLY A MAJOR SLUMP IN NATIONAL'S FORTUNES MIGHT ENABLE HIM TO MOUNT A CHALLENGE BEFORE THE ELECTION. HIS TURN WILL PROBABLY COME, BUT NOT YET.

4. THE SAME POLL WHICH PUT NATIONAL 33 POINTS AHEAD OF LABOUR ALSO RECORDED 31 PER CENT OF THE ELECTORATE AS UNDECIDED. THE MAJOR UNCERTAINTY AT PRESENT IS THE EFFECT WHICH THE RECENT FORMATION OF THE NEW LABOUR PARTY (NLP) WILL HAVE ON SUPPORT FOR THE TWO MAIN PARTIES. ALTHOUGH THE AIM OF THE NLP'S LEADER, FORMER LABOUR MP JIM ANDERTON, IS TO CREATE A CENTRE- LEFT PARTY, THE PARTY HAS BEEN ATTRACTING FRINGE LEFT-WING GROUPS AND ANY POTENTIAL APPEAL TO CENTRE VOTERS IS LIKELY TO DIMINISH ACCORDINGLY. THERE IS A POSSIBILITY THAT BECAUSE OF CONFLICTING TENDENCIES WITHIN THE NEW PARTY IT WILL SIMPLY SELF-DESTRUCT, BUT IF IT DOES SUCCEED IN ESTABLISHING ITSELF AS A COHESIVE POLITICAL FORCE, THE LIKELIHOOD IS THAT THE NLP WILL SPLIT THE VOTE FOR THE GOVERNMENT IN THE SAME WAY THAT THE NEW ZEALAND PARTY DID FOR NATIONAL IN 1984, INCREASING STILL FURTHER THE PROSPECTS OF A VICTORY BY NATIONAL IN 1990.

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

15 May 1989

**MEETING WITH THE NEW ZEALAND LEADER
OF THE OPPOSITION**

Thank you for your letter of 12 May
about Mr. Bolger's visit to London in June.
The Prime Minister could see him on Tuesday
13 June at 1700.

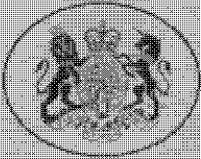
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(C. D. POWELL)

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

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KL



Rice Minister
It's rather over 2
years since
you last saw
him. Agree to a
brief meeting?

~~CONFIDENTIAL~~

Foreign and Commonwealth Office

London SW1A 2AH

12 May 1989

John Clarke

CDP 12/5

Yes Mr

Possible Call on the Prime Minister by the
New Zealand Leader of the Opposition, the Hon Mr James Bolger

The Leader of the Opposition National Party in New Zealand, Mr Jim Bolger, is planning to visit London next month and has asked to call on the Prime Minister. He will have an official programme from 12 to 15 June which will include a call on the Foreign Secretary. I enclose a CV.

Mr Bolger's Nationalists at present lead Mr Lange's governing Labour Party by 33% in the national opinion polls. It is looking increasingly likely that Bolger will be the next NZ Prime Minister, after the general election due by October next year. New Zealand is currently experiencing a mood of introspection and isolationism. But there are indications that a Nationalist Government would amend existing anti-nuclear legislation making possible a resumption of visits by HM ships to New Zealand ports. This is a primary policy objective in our bilateral relations.

Against this background the Foreign Secretary thinks that it would be helpful if the Prime Minister could find time to see Bolger, but he would not regard it as essential.

The Prime Minister last saw Mr Lange in London in April 1988. She received Mr Bolger on 3 March 1987.

Yours ever

(R. N. Peirce)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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BOLGER, HON JAMES BRENDAN MP

(National, King Country).

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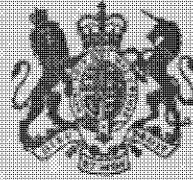
Of Irish parentage, is a Catholic and married with nine children. Category I sponsored visitor to UK 1987.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

3 March 1987

PRIME MINISTER'S MEETING WITH THE LEADER OF THE
NEW ZEALAND NATIONAL PARTY

The Prime Minister had a talk this afternoon with Mr. Jim Bolger, leader of the New Zealand National Party. Jim Spicer, MP, was also present.

Mr. Bolger made clear that a National Party Government would want to take steps necessary to allow Royal Navy visits to New Zealand ports to resume and to permit New Zealand once again to take part in ANZUS. The Labour Government's actions on defence had been disastrous and had only led to increased competition between the super powers in an area which had previously been stable. The Soviet Union was now much more active in the Pacific than previously. His party supported the Treaty establishing a South Pacific nuclear free zone but had no illusions that it would in practice impose any significant constraints. He had to acknowledge that Mr. Lange's non-nuclear policy enjoyed considerable popular support in New Zealand.

Mr. Bolger expected elections to be held in September and firmly believed that the National Party could win. The main features of his party's election campaign would be to attack the Labour Government's economic policies which had produced inflation of 18 per cent, interest rates of 20 per cent, higher unemployment, declining exports and declining investment. They would commit themselves to reduce the share of the State in the economy, to reform the education system and to stronger measures on law and order. They would also follow the British Government's lead on privatisation and reform of the trade unions. In foreign affairs, they would commit themselves to a pro-Western position in contrast with the Labour party, many of whose members seemed to want New Zealand to be non-aligned.

(C. D. POWELL)

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

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COMPLETED

RESTRICTED

3/3/87
J.P.



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

3 March 1987

PRIME MINISTER'S MEETING WITH THE LEADER OF THE
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(C. D. POWELL)

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

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CCF
S. J. P.

PRIME MINISTER

MEETING WITH MR. BOLGER

You are to see Mr. Bolger, Leader of the Opposition National Party in New Zealand, tomorrow afternoon. Jim Spicer will also be there. You have met Mr. Bolger before, at CHOGM in 1981.

You will want to refer to the earthquake in North Island on Sunday, which has caused a lot of injuries.

Mr. Bolger's main purpose in coming to see you is to boost his chances in the forthcoming elections, likely to be held in September. His prospects do not look too hot at present, judging by the opinion polls. The Labour government are handling the economy quite well by pursuing free market policies. (The National Party when in power was interventionist.) You will want to offer him what encouragement you can.

You will also want to encourage him to modify New Zealand's anti-nuclear policy so as to permit a resumption of RN visits and restoration of normal working with ANZUS. Rather depressingly, this is apparently unlikely to win him many votes.

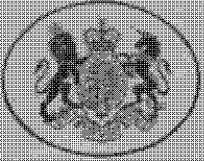
You may like to give him your views on current international issues including arms control and South Africa.

He will be most interested in how you approach an election in this country and the issues on which you intend to fight.

C.D.P.

(C.D. POWELL)

2 March 1987

CCB/CP
C/PC

Foreign and Commonwealth Office

London SW1A 2AH

2 March 1987

Ann Clarke

Prime Minister's Meeting with Mr Bolger,
Leader of the Opposition in New Zealand on
Tuesday 3 March at 1700 hours

I enclose briefing for the Prime Minister's meeting with Jim Bolger, Leader of the Opposition in New Zealand, on Tuesday 3 March at 1700 hours (see my letter of 12 February and yours of 13 February). This has not been seen by FCO Ministers, but will be submitted to Sir Geoffrey Howe in parallel tonight.

Mr Bolger is visiting Britain as a COI Sponsored Visitor. He will call on the Foreign Secretary on Wednesday 4 March. He has already called on Mr Rifkind (in Edinburgh) and will call on Mr Lamont. He will probably wish to concentrate on party matters with the Prime Minister, as the National Party of New Zealand shares similar objectives to the Conservative Party and elections are due there in September. But the briefing includes material on South Africa (and an updated arms control brief will follow), since Mr Bolger might be encouraged by the Prime Minister raising major international topics with him, as well as purely New Zealand issues including Mr Lange's anti-nuclear legislation. Mr Bolger recalls meeting the Prime Minister at CHOGM in Melbourne in 1981. He was then Minister of Labour.

I attach a profile of Mr Bolger and a copy of his programme. No one from the FCO will attend this call.

Ann Clarke
(R N Culshaw)

(R N Culshaw)
Private Secretary

C D Powell Esq
No 10 Downing St

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PRIME MINISTER'S MEETING WITH MR BOLGER, LEADER OF THE OPPOSITION IN
NEW ZEALAND, ON TUESDAY 3 MARCH AT 1700 HRS

NEW ZEALAND

Our Objectives

- (a) to assess Mr Bolger's chances of winning the New Zealand general elections (due by September this year);
- (b) to encourage Mr Bolger to keep up pressure on Mr Lange's Government over its anti-nuclear legislation, and to be ready to amend it if National win the general elections;
- (c) to express concern at reports of earthquake in North Island.

Arguments

- (a) The public opinion polls do not put National in front; and they are finding it difficult to offer an attractive alternative to the free market and derestrictive policies of the Labour Government.
- (b) The New Zealand Government is unlikely to call early elections, as this is not generally welcome with a Parliamentary term of only 3 years, and Sir Robert Muldoon lost the last election in 1984 after calling it early.
- (c) Consequences of ANZUS rift caused by anti-nuclear legislation very serious for cohesion of Western security.
- (d) Fact that RN ships cannot visit means that our defence relations with New Zealand will inevitably be weakened.
- (e) What are the chances of securing necessary changes to Bill in Committee? If legislation is passed in its present form, will National Party change it if it comes to power?

His Objectives

- (a) to express confidence about an election victory this year for National (he sees his call on the Prime Minister as a valuable factor in his election campaign);
- (b) to reassure us that New Zealand's relations with the Western Alliance will improve if National comes to power, as National pledged to modify (but not revoke) New Zealand's anti-nuclear policy, so as to permit a resumption of US and RN naval visits and a return to the normal working of ANZUS. He will emphasise

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/that

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that this line is not likely to win him electoral support in New Zealand.

Our Response

- (a) to welcome any modification of anti-nuclear policy which would permit a return by New Zealand to full working of ANZUS and allow us to resume ship visits.

South Pacific Department
Foreign and Commonwealth Office

March 1987

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BACKGROUND

Internal

1. 1987 election campaign yet to get fully underway. Election date likely to be in September (full term of Parliament). Each side has published policy documents, (the Labour Party's 'Shape of the Future' and the National Party's 'The Way Ahead - Law and Order'). National is thought to have a chance of overhauling the Government. Its main difficulty lies in presenting economic policies which differ from the government's or from the previous National government's interventionist restrictionist policies. National has yet to galvanise public opinion to its side.

South Pacific Department
March 1987

VISIT BY MR BOLGER (LEADER OF THE OPPOSITION IN NEW ZEALAND)

DEFENCE ISSUES

BACKGROUND NOTE

Anti-Nuclear Legislation and Ship Visits

1. New Zealand defence policy under the Lange Government has been dominated by its anti-nuclear stance and in particular by its intention to introduce legislation to prevent nuclear weapons being brought into New Zealand. The "Nuclear Free Zone, Disarmament and Arms Control Bill" was given its second reading early in February but as yet no date has been set for the Committee stage.
2. So far as we are concerned the critical clause is Clause 9 which requires the New Zealand Prime Minister to grant approval for a ship visit only if he is satisfied that the ship will not be carrying nuclear weapons. We, and the US, have consistently held that this clause is incompatible with our global 'neither confirm nor deny' policy on the carriage of nuclear weapons. We have been unsuccessful in our attempts to persuade the New Zealand Government to amend its proposed legislation in such a way that ship visits could continue without compromising our NCND policy. As a result we have suspended bilateral naval exercises and ship visits to New Zealand. We and, more particularly, the US are also concerned over Clause 11 which prohibits visits to New Zealand by nuclear powered vessels.
3. As a result of the New Zealand Government's refusal to modify its draft legislation the US Government has suspended its security obligations (under the ANZUS Treaty) to New Zealand "pending adequate corrective measures". The US has also allowed the MOU on NZUS Logistic Support to lapse. While not a member of the ANZUS alliance, we are naturally concerned that this dispute (which has led to a split between two countries which are our close friends and allies) could weaken Western security.

4. We are also concerned that the New Zealand Government's decision to legislate could create an unfortunate precedent for other countries. At the moment New Zealand is virtually the only country whose anti-nuclear stance has forced us to abandon RN ship visits.

5. During the Second Reading Debate Mr Bolger committed the Opposition to work in Committee for the removal of those parts of the Bill which had made the ANZUS alliance inoperable.

Five Power Defence Arrangements (FPDA)

6. The UK and New Zealand, together with Australia, Malaysia and Singapore, are signatories to the Five Power Defence Arrangements (FPDA) of 1971, which commit us to consult together in the event of an attack on or threat to either Malaysia or Singapore. The UK's main contribution is 2 RAF officers stationed at Butterworth in Malaysia in support of Malaysia and Singapore's Integrated Air Defence System. New Zealand retains a battalion with helicopter and other support elements in Singapore but has recently publicly announced its decision to withdraw these by 1989 (Mr Lange's letter to the Prime Minister and the Prime Minister's reply of 24 December 1986 are attached).

7. The Royal Navy and the Royal New Zealand Navy still exercise together with other partners under the FPDA.

New Zealand Defence Review

8. Wellington Tel No. 82 reports that the New Zealand Defence Review published on 26 February (which we have not yet received) formally recognises that the New Zealand Government's central defence objective is now the preservation of its own security and that of the Island states for which she is responsible. The White Paper recognises that the breakdown in defence cooperation with the United States will require closer defence ties with Australia. (The Australian Government, however, shares the US and UK concern over the breakdown in the ANZUS arrangements and is not inclined to try

/and

and bail the New Zealand Government out of its difficulties.)

Effect of NZ Legislation on Members of the NZ Armed Forces attending Military Courses in the UK

9. Clause 5 of the Bill would make it an offence to aid, abet, incite or counsel anyone to have control of any nuclear explosive device. Although we believe it is unlikely that any New Zealander attending a course in the UK would, in fact, be prosecuted members of the New Zealand Armed Forces might nevertheless be reluctant to take up any training course in the UK for fear of the possibility (however slight) that they might be prosecuted under the legislation for contact with a command structure that controls a nuclear deterrent. This problem is, however, one for the New Zealand Government, not us, to resolve. (There is no question of our preventing anyone from attending such courses.)

10. New Zealand has turned down an offer of a place at the RCDS this year but has indicated that it would wish to continue being considered for RCDS places in the future.

RAF Participation in RNZAF 50th Anniversary/Visit by CAS

11. The RAF have been invited to the celebrations in April and propose to participate in the static displays on 11 and 12 April.

12. The Chief of Air Staff is visiting New Zealand in April.

Defence Department

27 February 1987

PRIME MINISTER'S MEETING WITH MR BOLGER, LEADER OF THE OPPOSITION IN
NEW ZEALAND: 3 MARCH 1987

SOUTH AFRICA

OUR OBJECTIVES

- (a) To present and explain UK policy on South Africa and opposition to general economic sanctions.
- (b) To enlist support for a moderate, realistic approach in the Commonwealth and at the Vancouver CHOGM.

ARGUMENTS

- Totally reject apartheid. Unjust, institutionalised discrimination. Our objective to work for its replacement by a non-racial, representative system of Government.
- Regret reform programme stuck, and no prospect of progress until at least after 6 May white election.
- Committed to seeking practical ways to promote peaceful change in consultation with Commonwealth and with EC Partners. Have called on SAG to take steps to encourage dialogue; release of Nelson Mandela and other political prisoners; unbanning of ANC/PAC.
- General economic sanctions not the answer. Would be politically ineffective. US measures have only made SAG more obdurate and defiant. Also, wrong for international community to press FLS to take action against South Africa which would have disastrous consequences for them.
- At Vancouver CHOGM we should concentrate on areas of agreement - aid to FLS, Mozambique, SADC - rather than on divisive sanctions issue.

HIS OBJECTIVES

- To exchange views on ways forward on South Africa.

OUR RESPONSE

- Must continue to seek positive ways forward. Need to build bridges and work to bring both sides to accept need for dialogue.
- Should also be trying to assist South Africa's neighbours to reduce their economic and transport dependence on South Africa. UK playing a leading role in this. Have just increased our pledge to SADCC to £35 million. Also gave £108 million bilaterally to SADCC Member States in 1985/86.

BACKGROUND**SOUTH AFRICA**New Zealand Attitude

1. The New Zealanders have been less outspoken than the Australians and Canadians in pressing for sanctions, but have committed themselves to the measures recommended by the Commonwealth Review Meeting. Sporting links with South Africa, particularly rugby tours, have been a contentious domestic issue.

UN Security Council

2. The US and UK on 20 February vetoed a non-aligned draft resolution calling for selective mandatory sanctions and based on the US Congressional measures. The list of measures went well beyond those adopted by the Twelve and included, for example, a ban on air links and bans on the import of coal, uranium and agricultural products. The vote was 10 (Italy) - 3 (UK, US, FRG) - 2 (Japan, France). Italy was the only Western country to vote in favour.

British Military Assistance

3. Training of Mozambican officers/NCOs by BNATT at Nyanga, Zimbabwe started in February 1986. Courses run for 12 weeks and have a complement of 60 students. Originally planned for one year, the programme has been extended until the end of 1988 and the number of students on each course doubled to 120. This training is greatly appreciated by both Mozambique and the other Front Line States as a demonstration of HMG's commitment to help in the restoration of peace and stability and in the region.

Southern African Development Coordination Conference (SADCC)

4. At the SADCC annual meeting held in Gaborone, 5-6 February, Mr Patten's announcement of a further £10 million allocation for SADCC projects (bringing total UK pledges to £35 million) was warmly received. Our main commitments are to the rehabilitation of FLS transport routes, which will help to reduce these states' economic dependence on South Africa.

Southern African Department

27 February 1987

VISIT BY MR BOLGER, LEADER OF THE OPPOSITION IN NEW ZEALAND

SOUTH PACIFIC NUCLEAR FREE ZONE TREATY (SPNFZT)

Our Objectives

1. To avoid revealing the UK's position on adherence to the protocols of the SPNFZT before it is announced, but to assure Mr Bolger that UK consideration of the Treaty is taking full account of the views expressed by South Pacific States.

Argument

2. We are examining the Protocols with great care, and have noted the views expressed clearly by countries of the region. Our consideration is drawing to a close, and we hope to announce our conclusions before too long.

His Objective

3. To seek assurances that the UK will sign the Protocols.

4. To seek confirmation that recent press reports of a negative UK decision are not true.

Your Response

5. It would be wrong for anyone to try to anticipate the outcome of our study.

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CONFIDENTIAL

CHEMICAL WEAPONS

Our Objectives

To continue progress in negotiations. But must get details right.

Arms Control and Disarmament
Foreign and Commonwealth Office

February 1987

Background

- UK decision not to adhere to Protocols will, subject to Ministerial approval, be announced on 13 March. We will notify, amongst others, the New Zealand Government of our decision beforehand.
- SPNFZT (drafted largely by Australia, with strong New Zealand backing) came into effect late in 1986. Ten of the thirteen South Pacific Forum States (who are eligible to become parties to the Treaty) have signed it, eight have ratified. New Zealand was the first to ratify and the Opposition support the aims of the Treaty. The nuclear weapon States have been invited to adhere to Three Additional Protocols which would inter alia commit us not to station nuclear weapons in the area covered by the SPNFZT, and not to conduct tests there.
- French Government consider Treaty a direct attack not only against their testing programme but also against their political position in South Pacific region. They have lobbied us and the US hard at every opportunity and every level to dissuade us from adhering to Protocols.
- US announced on 5 February that in view of their global security interests and responsibilities they are not, under current circumstances, in a position to sign. At the same time, the US Government gave assurances that US practices and activities in the region were not inconsistent with the Treaty or its Protocols.
- The UK decision has had to take account inter alia of our relationship with the French and our security concerns as well as our interests with the South Pacific states. To make our decision less unpalatable, we plan to announce that the UK will adhere to a Convention against dumping waste in the South Pacific (already signed by the US and France). To tell Mr Bolger of the factors that we have to take into account would carry the risk of misinterpretation and further speculation as to our eventual decision.

Arms Control and Disarmament Department
27 February 1987

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VISIT BY MR BOLGER: LEADER OF THE OPPOSITION IN NEW ZEALAND

CHEMICAL WEAPONS

BACKGROUND

New Zealand takes an interest in but does not contribute to the CW negotiations. She is also a member of the Australian-lead Western CW non-proliferation group.

The negotiations made good progress in 1986 under UK chairmanship. Recent Soviet moves have removed many of the obstacles, but a good deal of work needs to be done on the detail.

ARMS CONTROL AND DISARMAMENT DEPARTMENT
27 February 1987

FCO/HL

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CALL ON PRIME MINISTER BY MR BOLGER, LEADER OF THE OPPOSITION IN NEW ZEALAND ON TUESDAY 3 MARCH AT 1700 HRS

ARMS CONTROL ISSUES

GENEVA NST

Our Objectives

- (a) To urge both sides to concentrate on achievable goals in arms control.
- (b) To avoid in raising false expectations by talking of elimination of ballistic missiles or total elimination of nuclear weapons
- (c) Believe Camp David priorities best way forward.
 - (i) 50% cuts in strategic offensive weapons.
 - (ii) LRINF zero/zero in Europe incorporating constraints on shorter range systems.
 - (iii) CW Ban.

Arguments

US consults allies regularly particularly on INF negotiations where European countries directly affected.

UK Deterrent

Trident necessary modernisation of Polaris. But not relative escalation. Even after 50% cuts in strategic arsenals of superpowers maximum number of Trident warheads would still represent lower percentage of Soviet strategic warheads than did Polaris in 1970.

UK Participation in nuclear arms reductions (if raised)

UK conditions not changed - if very substantial reductions in nuclear arsenals of superpowers and no change in defensive capabilities UK would consider what part she might play.

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Mr Gorbachev's statement on INF

- Welcome statement. First, it accepts Alliance idea of zero option. Second, the Soviet leadership appears to have broken link between INF and SDI. Third, it makes no reference to UK and French independent nuclear deterrents.

- But we shall want to look carefully at the fine print in Mr Gorbachev's statement. Verification and arrangements for shorter range INF remain particularly crucial.

- INF identified as one of top priorities for arms control at my Camp David meeting with President Reagan last November. If agreement achieved, could transform for better climate of arms control talks and of East/West relations.

/SOUTH PACIFIC NUCLEAR FREE

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BOLGER, HON JAMES BRENDAN MP

(National, King Country)

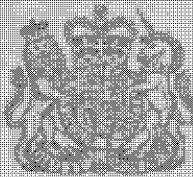
Leader of the National Party.

A first generation New Zealander. Born 1935 in Taranaki where he was educated and lived until 1965. He has wide farming experience. He now breeds sheep and beef cattle and runs a Hereford Stud. He held various offices in farming organisations and before being elected a member of Parliament he was a provincial Vice-President and a "Dominion Councillor" of Federated Farmers.

Promoted 1977 from Parliamentary Under-Secretary to Minister of Fisheries, Associate Minister of Agriculture. He was given the difficult Labour portfolio in 1978. Visited the United Kingdom August 1977 to see something of UK fisheries industry. Minister of Labour until July 1984. In office he had the reputation of standing up to Sir R Muldoon in Cabinet - no mean feat. He is his own man. He was elected as Deputy Leader to Jim McLay 1984. Failed in a rather half-hearted attempt to become Leader in late 1985 and finally became Leader in April 1986.

Of Irish parentage, he is a Catholic and married with nine children, aged from 5 - 22.

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OVI/695

Programme of arrangements made by the
Central Office of Information for the
Foreign and Commonwealth Office

The Hon James Brendan BOLGER MP
Leader of the Opposition

Wellington

NEW ZEALAND

26 February - 7 March 1987

Accompanied by a representative of the Central Office of Information or
the Scottish Information Office.

Programme Organiser:

Mrs Caroline Matthews
Overseas Visitors and Information Studies
Central Office of Information
Hercules Road, London SE1 7DU

Direct Line: 01-261 8311
Switchboard: 01-928 2345 Ext 8311

Thursday 26 February

**ARRIVAL IN BRITAIN
PROGRAMME DISCUSSION**

1200

Arrive at London, Gatwick Airport, on Air New Zealand flight TE 2 from Auckland.

Met in the North Suite by Mr Alan Furness, Head, South Pacific Department, Foreign and Commonwealth Office, and Mrs Caroline Matthews, Overseas Visitors and Information Studies, Central Office of Information.

Mr Roger Farrell, Deputy High Commissioner, New Zealand High Commission, will also be present.

Continue in car to the Royal Garden Hotel, Kensington High Street, London W8 (Tel: 01-937 8000) where accommodation has been reserved.

1445

Joined at the hotel by Mr E F Barrett OBE, Head of Visits Section, Information Department, and Mr M Plumb, South Pacific Department, Foreign and Commonwealth Office.

Mrs Matthews will discuss the programme.

The remainder of the day is free.

Friday 27 February

**LONDON - EDINBURGH
"THE SCOTSMAN"
BANK OF SCOTLAND
SECRETARY OF STATE FOR SCOTLAND
DINNER ENGAGEMENT**

0745

Leave the hotel in car with Mrs Enid Ackers, Overseas Visitors and Information Studies, Central Office of Information, who will accompany Mr Bolger to his appointments in London.

0910

Leave London on British Airways flight BA 4732 to Edinburgh.

1020

Arrive at Edinburgh Airport.

Met by Mr Brian Simmons, Scottish Information Office, and continue in car.

1100

Arrive at "The Scotsman", 20 North Bridge, Edinburgh.

Discussions with Mr John McNeilly, Deputy Editor.

Later

Leave North Bridge in car.

Friday 27 February Cont'd

1245

Arrive at the Bank of Scotland Head Office, The Mound, Edinburgh, for lunch as a guest of the Bank.

Host: Mr J Gammell, Senior Director

Also present will be:

Mr D B Pattello, Treasurer and General Manager

Mr P A Burt, Joint General Manager International Division

Mr J R Browning, Joint General Manager, Management Services

Mr I W StC Scott, Divisional General Manager, Accounting and Finance

and Mr B C Marshall, Chief General Manager, General Accident Fire and Life Assurance Corporation Ltd

Later

Leave the Mound in car.

1510

Arrive at the Scottish Office, New St Andrew's House, Edinburgh.

1515

Received by the Rt Hon Malcolm Rifkind QC MP, Secretary of State for Scotland.

1545

Leave New St Andrew's House in car.

1600

Arrive at Edinburgh Castle.

Conducted tour of the historic apartments, including the Scottish Crown Jewels.

Later

Leave Edinburgh Castle in car and continue to the Sheraton Hotel, Festival Square, Edinburgh (Tel: 031-229 9131) where overnight accommodation has been arranged.

1930 for
2000

Joined for dinner in the Cafe Beaumont restaurant of the hotel by Mr Edward Cunningham, Director, Planning and Projects, Scottish Development Agency, and a representative of the National Farmers' Union.

Saturday 28 February

EDINBURGH - INVERNESS
HIGHLANDS FOREST PRODUCTS
HIGHLANDS AND ISLANDS DEVELOPMENT BOARD
CRAWFORDS DEER FARM
DINNER ENGAGEMENT

0830

Leave the hotel in car (with luggage).

1130

Arrive at Highlands Forest Products, Dalcross, near Inverness.

Saturday 28 February Cont'd

Discussions with Mr John Garlick, Managing Director, and a tour of the company, which makes oriented strand board.

1230 Leave Dalcross in car.

1245 Arrive at Culloden House, Culloden for lunch as guest of the Highlands and Islands Development Board (HIDB).

Host: Mr Robert Cowen, Chairman

Mr Garlick will also be present

1430 Leave Culloden in HIDB vehicle.

1500 Arrive at Crawford's Deer Farm, Aigas, by Beauty.

Discussions with Mr and Mrs J Crawford, followed by a tour of the farm.

Later Leave Aigas and continue to the Kingsmill's Hotel, Culcabock Road, Inverness (Tel: 0463 37166) where overnight accommodation has been arranged.

1900 Leave the hotel in car.

1930 Arrive at Porgon, Canonbridge, near Inverness.

Dinner at the house of Mr Angus MacDonald, part-time board member, Highlands and Islands Development Board.

Later Leave Porgon in car for return to hotel.

Sunday 1 March CHURCH SERVICE
INVERNESS - LONDON

0840 Leave the hotel in car (with luggage).

0900 Attend Mass at St Mary's Church, 30 Huntly Street, Inverness.

Later Leave Huntly Street in car for Inverness Airport.

1115 Leave Inverness on Dan-Air Flight DA 155 to London.

1240 Arrive at London, Heathrow Airport (Terminal 1).

Met by Mrs Ackers and continue in car to the Royal Garden Hotel.

The remainder of the day is free.

Monday 2 March

P & O CONTAINER LINE LTD
UNION INTERNATIONAL PLC
EUROPEAN PARLIAMENT INFORMATION OFFICE

- 1045 Leave the hotel in car.
- 1115 Arrive at P & O Container Line Ltd, Beagle House,
Braham Street, E1.

Discussions with Mr Alan Bott, Director,
and Chairman of the New Zealand and Australia
European Shipping Conferences.
- 1215 Leave Braham Street in car.
- 1245 for
1300 Arrive at Union International plc, 13 - 16 West
Smithfield, EC1.

Lunch as guest of the company.

Host: Lord Vestey, Director
- 1400 Leave West Smithfield in car.
- 1500 Arrive at the European Parliament Information
Office, 2 Queen Anne's Gate, SW1.

Discussions with Sir Henry Plumb DL MEP,
President, European Parliament.
- 1545 Leave Queen Anne's Gate in car for return to hotel.

Tuesday 3 March

COMMONWEALTH SECRETARIAT
HM TREASURY
HOUSES OF PARLIAMENT
PRIME MINISTER'S QUESTION TIME
ANZAC PARLIAMENTARY GROUP
PRIME MINISTER
CONSERVATIVE PARTY

- 1030 Leave the hotel in car.
- 1100 Arrive at the Commonwealth Secretariat,
Marlborough House, Pall Mall, SW1.

Received by Sir Shridath Ramphal, Secretary-General
of the Commonwealth.
- 1130 Leave Pall Mall in car.
- 1200 Arrive at HM Treasury, Whitehall, SW1.

Received by the Rt Hon Norman Lamont MP, Financial
Secretary.
- 1230 Leave Whitehall on foot.
- 1240 Arrive at the Houses of Parliament, Westminster, SW1.
(St Stephen's Entrance)

Tuesday 3 March Cont'd

1245 for
1300

Lunch in the Harcourt Room.

Host: Sir Anthony Kershaw MC,
Conservative Member of Parliament for Stroud
and Chairman of the Foreign Affairs Committee

Also present will be:

Mr Stan Thorne,
Labour Member of Parliament for Preston

Mr Alan Furness,
Head of South Pacific Department,
Foreign and Commonwealth Office

Mrs Sue Geddes, Head of Australasia Group,
Overseas Visitors and Information Studies,
Central Office of Information

1425

View the Speaker's Procession in the Central Lobby.

1430

Observe the proceedings of the House of Commons
from a seat in the Commonwealth Gallery.

1515

The Prime Minister will answer questions.

1530

Met in the Central Lobby by Mr Robin Corbett,
Labour Member of Parliament for Birmingham,
Erdington, and Secretary of the ANZAC Parliamentary
Group.

1535

Meeting in Westminster Hall Room W2 with members
of the ANZAC Parliamentary Group.

1630

Leave the Houses of Parliament on foot.

1655

Arrive at 10 Downing Street, SW1.

1700

Received by the Rt Hon Margaret Thatcher FRS MP,
Prime Minister.

1730

Leave Downing Street with Mr Jim Spicer MP,
Vice-Chairman, Conservative Party.

Later

Return to the hotel.

Wednesday 4 March

FOREIGN AND COMMONWEALTH OFFICE
LLOYDS BANK PLC
ROYAL UNITED SERVICES INSTITUTE

0930

Leave the hotel in car.

1010

Arrive at the Foreign and Commonwealth Office,
King Charles Street, SW1.

1015

Received by the Rt Hon The Baroness Young,
Minister of State.

1045

Received by the Rt Hon Sir Geoffrey Howe QC MP,
Secretary of State for Foreign and Commonwealth Affairs.

Wednesday 4 March Cont'd

- 1115 Discussions with representatives of the Foreign and Commonwealth Office and the Ministry of Defence.
- Chairman: Mr D H Gillmore,
Deputy Under-Secretary,
Foreign and Commonwealth Office
- 1230 Leave King Charles Street in car.
- 1310 Arrive at Lloyds Bank plc, 71 Lombard Street, EC3.
- Lunch as guest of the Bank with Sir Jeremy Morse, Chairman.
- 1430 Leave Lombard Street in car.
- 1515 Arrive at the Royal United Services Institute, Whitehall, SW1.
- Discussions with Group Captain David Bolton, Director, and members of the Institute.
- 1615 Leave Whitehall in car for return to hotel.

Thursday 5 March

MERCURY INTERNATIONAL GROUP PLC
BRITISH PETROLEUM CO PLC
LLOYD'S OF LONDON
MINISTER OF AGRICULTURE

- 1000 Leave the hotel in car.
- 1030 Arrive at The Mercury International Group plc, 1 Finsbury Avenue, EC2.
- Discussions with:
- Sir David Scholey,
Chairman,
Mercury International Group plc
Joint Chairman,
S G Warburg and Co Ltd
- Lord Roll,
Joint Chairman,
S G Warburg and Co Ltd
- Mr Anthony Brooke,
Director,
S G Warburg Securities
- Mr Edward Chandler,
Director,
S G Warburg Securities
- 1200 Leave Finsbury Avenue in car.

Thursday 5 March Cont'd

1300 for
1315 Arrive at British Petroleum Co plc (BP), Britannic House, Moor Lane, EC2.

Lunch as guest of the company.

Host: Mr Patrick Gillam,
Managing Director.

1430 Leave Moor Lane in car.

1500 Arrive at Lloyd's of London, Lime Street, EC3.

Discussions with Mr Peter Miller, Chairman.

1530 Leave Lime Street in car.

1625 Arrive at the Ministry of Agriculture, Fisheries and Food, 3 Whitehall Place, SW1.

1630 Received by the Rt Hon Michael Jopling MP, Minister of Agriculture, Fisheries and Food.

1700 Leave Whitehall Place in car for return to hotel.

Friday 6 March

FOREIGN PRESS ASSOCIATION
NEW ZEALAND HIGH COMMISSION

1100 Leave the hotel in car.

1130 Arrive at the Foreign Press Association, 11 Carlton House Terrace, SW1.

Met by Miss Rosemary Spencer, Head of Secretariat.

Press conference with London-based correspondents of overseas press, radio and television.

1230 Leave Carlton House Terrace in car.

1245 for
1300 Lunch at the New Zealand High Commission, New Zealand House, Haymarket, SW1.

Host: His Excellency Mr Bryce Harland,
High Commissioner

1430 Leave Haymarket in car.

Afternoon Available for appointments.

Saturday 7 March

DEPARTURE FROM LONDON

Day Free.

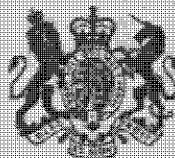
2030 Leave the hotel in car with Mrs Matthews.

2115 Arrive at London, Heathrow Airport (Hillington Suite).

2200 Leave London on Singapore Airlines flight SQ 21 to Singapore.

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

13 February 1987

NEW ZEALAND LEADER OF THE OPPOSITION

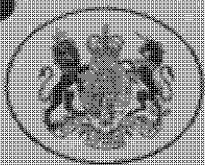
Thank you for your letter of 12 February about the visit to the United Kingdom of Mr. Jim Bolger, Leader of the New Zealand Opposition. The Prime Minister is able to see Mr. Bolger from 1700 to 1730 on Tuesday 3 March.

(Charles Powell)

R.N. Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

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[Handwritten signature]



Foreign and Commonwealth Office

London SW1A 2AH

12 February 1987

*Prime Minister
Agree to see
him briefly?*

Dear Charles

CDP 14/2 Y no mb

The New Zealand Leader of the Opposition

The Leader of the New Zealand Opposition, Mr Jim Bolger, will be visiting the UK at our invitation from 26 February to 7 March. Mr Bolger has led the National Party since April last year. Under his leadership, National have a reasonable chance of winning the next general election, which is due by the end of September, although the polls still put Mr Lange's Labour Party slightly ahead.

The Foreign Secretary hopes that the Prime Minister will be able to find time to receive Mr Bolger for a short call at No 10. Such a call would be helpful to Mr Bolger and provide an opportunity for the Prime Minister to remind him of our concern over the present New Zealand Government's non-nuclear policies and the importance we attach to New Zealand resuming its traditional role as an active member of the Western system of alliances. Although Mr Bolger's party is pledged to "fillet" any anti-nuclear legislation passed by the present Labour Government, so as to permit US or RN ship visits again, this is not an election-winning issue for Mr Bolger and he may be tempted to trim his sails on it. Encouragement from the Prime Minister may stiffen his resolve.

The Prime Minister will recall that Mr Bolger's predecessor as National's leader, Mr Jim McLay, called on her in September 1985.

I enclose a personality note on Mr Bolger.

*Yours ever
Adrian (signature)*

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street

BOLGER, HON JAMES BRENDAN MP

(National, King Country).

Leader of the National Party.

A first generation New Zealander. Born 1935 in Taranaki where he was educated and lived until 1965. He has wide farming experience. He now breeds sheep and beef cattle and runs a Hereford Stud. He held various offices in farming organisations and before being elected a member of Parliament he was a provincial Vice-President and a "Dominion Councillor" of Federated Farmers.

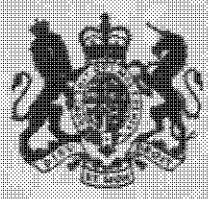
Promoted 1977 from Parliamentary Under-Secretary to Minister of Fisheries, Associate Minister of Agriculture. He was given the difficult Labour portfolio in 1978. Visited the United Kingdom August 1977 to see something of UK fisheries industry. Minister of Labour until July 1984. In office he had the reputation of standing up to Sir R Muldoon in Cabinet - no mean feat. He is his own man. He was elected as Deputy Leader to Jim McLay 1984. Failed in a rather half-hearted attempt to become Leader in late 1985 and finally became Leader in April 1986.

Of Irish parentage, he is a Catholic and married with nine children. He plays squash and reads in his spare time.

Subject as Marked

File

da



10 DOWNING STREET

From the Private Secretary

30 January 1984

Mr. David Lange, the Leader of the New Zealand Labour Party, called briefly on the Prime Minister this afternoon. The New Zealand High Commissioner and Deputy High Commissioner accompanied him.

The conversation was largely social, and there are only a few points that I need record.

The Prime Minister said that the United Kingdom was a staunch advocate of New Zealand's interests in Europe. We were, in particular, well aware of the crucial importance of lamb and butter to the New Zealand economy. The European Community was in for a difficult year. It was quite simply running out of money, and two fundamental changes - in the Common Agricultural Policy and in the way Community expenditure was financed - were needed to put things right. Mr. Lange responded by expressing New Zealand's profound gratitude to Britain for her advocacy: this was an issue on which Government and Opposition were united. Although agricultural exports were being diversified, Britain remained a crucially important customer, not least because of the stability of her markets.

In describing the current political scene in New Zealand, Mr. Lange said that his Party was in his view closer to the middle ground than the Opposition in this country. The major electoral issues would be economic ones, particularly unemployment. But there was also a disagreement between Government and Opposition over defence policy - the Labour Party's view was that it was wrong to rely on nuclear weapons as a shield for their alliance. The formidable personality of the present Prime Minister was also bound to be a factor.

In discussion of economic issues, Mr. Lange commented that in his view British investment in New Zealand had been outpaced by other inward investment. There were exceptions in certain areas (e.g. high technology and railway electrification), and of course no reduction in the strength of economic interdependence between Britain and New Zealand could weaken their close relationship which was based on generations of family ties.

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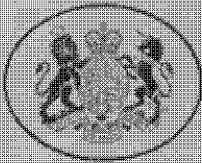
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In conclusion, the Prime Minister thanked Mr. Lange for calling on her and wished him a happy and enjoyable overseas tour.

David Barclay

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

27 January 1984

Dear John,

27/1

Call by New Zealand Opposition Leader

Mr David Lange (pronounced "Longey"), Leader of the New Zealand Labour Party and Leader of the Opposition, is to call on the Prime Minister at 2.30 pm on Monday 30 January (he will be seeing the Foreign Secretary at 5.00 pm that afternoon). In the course of his current tour he will be visiting Washington, Brussels and Rome.

I enclose a brief, together with two extra copies.

Mr Lange was elected to the Labour Party leadership in February 1983 following the retirement of Sir Wallace Rowling. He made a good start and appointed a well balanced team of spokesmen. But divisions arose within the Labour Party after Mr Lange said that he wished to review the Party's policy of prohibiting visits by nuclear-powered or nuclear-armed vessels. Mr Lange later sought to re-unite the party behind the statement that he would, as Prime Minister, prohibit such visits unless given an assurance that the vessels carried no nuclear weapons. Sir Robert Muldoon is a formidable adversary and disarray persists within the opposition's ranks. But the Labour Party's prospects in the next general election, which must be held before November, have improved with the emergency in August 1983 of the New Zealand Party. This group, backed by a wealthy businessman, Mr Jones, seeks to change the centralising and dirigiste approaches of the National Party and has drawn support from the right wing of that party.

Mr Lange has not indicated particular matters he wishes to raise, but can be expected to ask the Prime Minister about British support within the European Community for continued access for New Zealand butter and sheepmeat. He may also raise Hong Kong and our attitude to the security of small states as well as our position on the Falklands.

In addition to the Prime Minister and the Foreign Secretary, Mr Lange will be seeing Mr Tabbitt, Mr Jopling, the Leader of the Opposition and the Commonwealth Secretary-General.

Yours ever,

(P F Ricketts)
Private Secretary

Peter Ricketts

A J Coles Esq
10 Downing Street

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UNCLASSIFIED

CALL BY MR DAVID LANGE, NEW ZEALAND OPPOSITION LEADER,
30 JANUARY 1984

POINTS TO MAKE

1. Links between us remain very close. Frequent visits in both directions an important factor.

ECONOMIC ISSUES (including New Zealand economy)

2. World recovery now becoming established. Out-turn in 1983 slightly better than forecast. Prospects for sustained recovery more encouraging than for many years. But can't discount risks and uncertainties. Need to continue prudent policies with appropriate fiscal/monetary balance. In particular, continued progress needed on reducing structural budget deficit - key to reducing interest rates.

3. Willing to play full part in both Commonwealth Consultative Group and G10 study of ways of improving international financing system. No presumption that either study will result in conference. Remain sceptical of value of international monetary conference. Need for practical proposals for improving functioning of international financial system.

4. Reduction of New Zealand's inflation through freeze is impressive. But what will follow when freeze ends next month?

NZ/EC RELATIONS

5. Fully understand New Zealand concern to secure continuing access for butter at adequate levels. Recognise importance of UK market for sheepmeat.

6. Shall continue to give you firm support in pressing fair arrangements.

7. Mr Jopling, who you are seeing, will be visiting New Zealand next month.

UK/NZ TRADE

8. Hope relative decline in UK/NZ trade will be reversed.

9. [if raised] We accept we have no right to a continuation of vehicle preferences, but British firms anxious to retain a presence in the NZ market.
10. Mr Baker visiting New Zealand next month.

DEFENCE

11. Understand New Zealand government has just completed defence review, suggesting no changes in support for Five Power Defence Arrangement and confirming establishment of rapid deployment battalion. How do you see New Zealand's defence needs?

SOUTH PACIFIC

12. New Zealand plays an important role in preserving stability of small island states to which it devotes 80% of its aid. British aid to the region (£23 million in 1983) generous in per capita terms.
13. See no present threat to stability of South Pacific.
14. French testing in Pacific a matter for French Government. French deny reports of radiation from Mururoa. Visit of New Zealand scientists provided support for the denial.
15. As nuclear weapon state, UK understands reasons for French tests. Our policy to seek adequately verifiable Comprehensive Test Ban, to which we hope France will adhere.
16. We support principle of Nuclear Weapon Free Zones as long as all regional countries agree, and security balance of region not disturbed. Welcome decision of South Pacific Forum to refer proposal for further consideration.
17. Recognise concern of South Pacific countries on disposal of nuclear waste in Pacific. UK does not dump in Pacific and has no plans to do so. But UK believes sea disposal of low-level waste within internationally agreed levels and technical framework is safe and environmentally acceptable.

South Pacific Department
Foreign and Commonwealth Office

January 1984

UNCLASSIFIED

CALL BY MR DAVID LANGE, NEW ZEALAND OPPOSITION LEADER,
30 JANUARY 1984

ESSENTIAL FACTS

ECONOMIC ISSUES :

Global

1. Signs for a sustained recovery in world economy are:

- growth forecast for 1984 is 3.75%
- interest rates have fallen sharply from 1981 peaks
- consumer price inflation fell to 4.5% in year of November 1983; expected to remain moderate
- world trade forecast to rise sharply in 1984
- immediate debt problems of developing countries have eased
- general agreement on appropriate policies
- investment starting to recover, business more confident

New Zealand

2. New Zealand has suffered more than most developed countries from the world recession. There was an upsurge in economic activity in 1981/82 which led to an estimated growth of 3.6% in GDP; this could not however be sustained. Growth is expected to be about 1% for 1983/84. Unemployment has risen to 8% of the labour force which is historically high for New Zealand.

3. A prices and wages freeze came into effect on 22 June 1982 and ends on 29 February. The purpose of the freeze was to reduce NZ's rate of inflation which was running at 16%, well above the OECD average. This reduced inflation in the year ended September 1983 to 5.4% and the final rate of 1983 is expected to be about 4%. After the freeze ends no prices may be raised more than twice in the following year and larger firms will have to give 20 days notice of intended price increases. In wage negotiations, Government will seek a low ceiling and only permit the new wages rates to operate if meanwhile a permanent new system of wage fixing has been agreed.

4. New Zealand's large budget deficits in period since first oil price rise have been financed by much increased overseas and domestic borrowing. Hence Overseas debt service burden

/equivalent

equivalent to 12% of export earnings in the fiscal year ending last March. Despite this and growing budgetary costs of servicing debt, the Government's last budget (July 1983) allowed for enormous increase in the deficit, from 5.5% of GDP in 1982/83 to 9.5% in the current year. This reflects among other things the full-year effect of tax cuts introduced during 1982/83 to offset the freeze and Government's persistence with large-scale public investment designed to reduce import dependence.

NZ/EC RELATIONS: BUTTER AND SHEEPMEAT

5. New Zealand opposes Commission's proposal for 5 year arrangement for butter imports post 1983, starting at 83,000 tonnes reducing by 2,000 tonnes annually to 75,000 tonnes in 1988. In absence of agreement Community agreed on 13 December to an interim arrangement for January/February of 13,833 tonnes (1/6 of 83,000). The Community will again discuss long-term arrangements in February.

6. Under voluntary restraint arrangements, New Zealand can send, until end of March, up to 245,500 tonnes of sheepmeat a year, but has in fact supplied less. Reviewing VRA arrangements, Commission has proposed lower maximum levels and the introduction of a minimum import price. Neither is acceptable to New Zealand.

NZ/UK TRADE

7. Trade Statistics (£m)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982*</u>	<u>Jan-Nov 82*</u>	<u>Jan-Nov 83*</u>
UK exports to NZ	312	250	235	323	304	257
UK imports from NZ	416	415	427	539	483	304

*provisional

8. New Zealand has traditionally enjoyed a surplus on visible trade with the UK, outweighed by a large deficit on invisibles; however, for the year ended June 1983 there has been a small deficit of NZ\$24 million on visible trade. The current account is therefore firmly in the UK's favour.

9. The UK's percentage share of New Zealand's trade has diminished steadily. We now account for less than 10% of NZ's imports compared with 56% in 1953, and our share of her exports has fallen at a similar rate.
10. UK sales of vehicles to NZ have fallen drastically between 1977 and 1982, though the total market has increased. The Japanese have taken the greatest share of the vehicle market and removal of the preference could mean virtual elimination of the UK from the NZ vehicle market.

SOUTH PACIFIC ISSUES

Nuclear Testing in the Pacific

11. Our aim is to avoid being drawn into controversy which might damage our relations either with states in the region or with France. The smaller island states have long criticised France for carrying out tests in the face of regional opposition.

South Pacific Nuclear Free Zone

12. This proposal was inspired by regional concern about French testing at Mururoa, and possible Japanese nuclear waste dumping. It was championed by the smaller states for some years, but met with resistance from governments in both Australia and New Zealand. However, new Australian Government proposed a draft declaration for a Nuclear Free Zone at South Pacific Forum in August 1983. South Pacific Forum commended (but did not adopt) Australian initiative, emphasising need for more time to consider implications. Significantly, the Forum Communique confirmed the importance of the principles of freedom of navigation and overflight and the treaty obligations of Forum members (eg ANZUS). It also recognised the right of governments to make their own decisions on their alliance and defence requirements. The New Zealand Government were prepared to accept in principle the Australian proposal for a Nuclear Free Zone subject to ensuring that in its final form the proposal did not conflict with ANZUS obligations. Though majority of New Zealanders identify their interests as closely bound with Western Powers, the feeling against nuclear presence of outside powers in the region is running at a higher level than in Australia. Even the governing National Party has members who sympathise with this view.

Disposal of Nuclear Waste

13. In 1983 the South Pacific Forum reaffirmed members' opposition to 'proposals' for dumping in the Pacific. Most Pacific island governments retain strong feelings on the subject. At the Commonwealth Heads of Government Meeting (CHOGM) in New Delhi in November 1983, UK disassociated itself from the Communique's expression of strong opposition to dumping in the Pacific. We had however gone along with the Final Communique of 1981 CHOGM noting opposition of South Pacific states to dumping in spirit of the tradition of arriving at a consensus. UK does not accept that this implies any change before, during or after CHOGM 1981 to its policy for disposal in the Atlantic.

South Pacific Department
Foreign and Commonwealth Office

January 1984

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LANGE (pronounced Longey), DAVID MP

(Labour, Mangers)

Leader of the New Zealand Labour Party, since February 1983

Born 1942. LLM at Auckland with First Class honours in criminal law, criminal behaviour and medico-legal problems. Before his election to Parliament was a tutor and lecturer at the Auckland Law and Medical School.

Joined the Labour Party in 1963 and first stood for Parliament in 1975. He was elected in March 1977 at a by-election caused by the resignation of the former Labour Minister of Agriculture, Colin Moyle.

A rousing, witty orator who once weighed 26 stone (in February 1982 he underwent an operation to help him to lose weight). Opinion polls from time to time showed him to be more popular than his then leader, Bill Rowling, and he only narrowly failed to replace him as leader in late 1980. His star then waned somewhat and he was, for a time, no longer regarded as the automatic successor to Mr Rowling although remaining the favourite. He was elected Leader of the Party in February 1983. Almost immediately, he made a mark by having the party accept choice of opposition spokesmen by the leader rather than by caucus election. But differences between him and the left wing, especially on nuclear matters, emerged in mid 1983.

He visited Britain as a sponsored visitor in 1981.

Married, three children; his wife has relatives in Newark, UK.

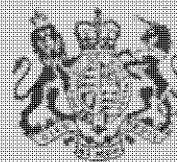
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10 DOWNING STREET

From the Private Secretary

11 January 1984

Visit of New Zealand Opposition Leader

Thank you for your letter of 9 January.

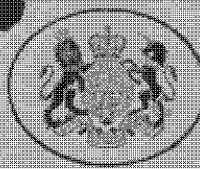
The Prime Minister would be glad to see Mr. David Lange for 45 minutes at 1430 on Monday 30 January.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

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AP

Prime Minister.

In view of X, do you wish
to see the New Zealand
Opposition leader for 45 minutes
at 14.30 on Monday, 20 January?

Foreign and Commonwealth Office

London SW1A 2AH

9 January 1984

A.J.C. 10/1

Yes no

John Tolan

Visit of New Zealand Opposition Leader

Mr David Lange (pronounced "Longey") will be visiting the United Kingdom from Friday 27 January to Wednesday 1 February. He has asked, through the New Zealand High Commission, to call on the Prime Minister.

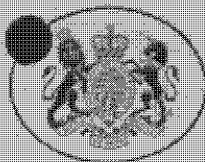
Mr Lange has been leader of the New Zealand Labour Party and leader of the Opposition since February 1983. He is expected to lead the Labour Party into the General Elections which will be held in New Zealand in November of this year. At present the prospects of the National and Labour Parties in those elections look finely balanced. Sir Robert Muldoon offers robust leadership and experience, but his eight consecutive years in office, the desire for change, the slenderness of his current majority and problems he has encountered in managing the economy are factors which favour the Labour Party. There is disunity within that party, but this may be offset by the advent of a third political party, the New Zealand Party, which has lately won public support at the expense of the National Party. It is possible, therefore, that Mr Lange might be Prime Minister within the year.

He came to the UK as a sponsored visitor in 1981. His wife's relatives live in Newark. I attach a personality note.

Mr Lange has asked for an audience of The Queen (I understand this will not be possible) and for calls on the Foreign Secretary (arranged for 11 am on Tuesday 31 January), on the Secretary of State for Trade and Industry and on the Secretary of State for Agriculture (arranged for 4 pm on 30 January). In addition he hopes to see the leader of the Opposition and the Commonwealth Secretary General.

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If the Prime Minister agrees to see Mr Lange, I should be grateful if you could let me have a time which would be convenient for this call.

*Yours
R. B. Bone*

(R. B. Bone)
Private Secretary

A J Coles Esq
10 Downing Street

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Grey Scale #13

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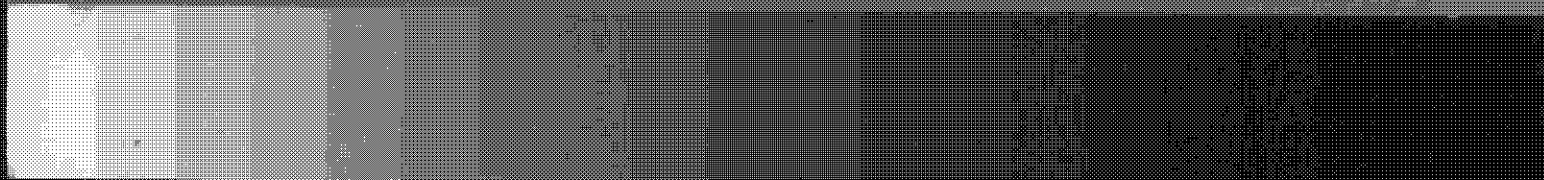
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Inches 1 2 3

Centimeters 1 2 3 4 5 6 7 8

Colour Chart #13

Blue

Cyan

Green

Yellow

