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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE
DEPUTY PRIME MINISTER OF NEW ZEALAND, MR. TALBOYS, AT THE
INTERCONTINENTAL HOTEL, BELGRADE, AT 0905. ON 8 MAY 1980

Present

The Prime Minister
Mr. M.O'D.B. Alexander

Mr. Talboys
Mr. I. Stewart

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Sheepmeat

The Prime Minister said that she had wanted to have a word with Mr. Talboys about the progress of the negotiation on a Community sheepmeat regime. She had been told by the Commission during the meeting of the European Council in Luxembourg that they were in close touch with the New Zealand authorities and knew what they could accept. She had wanted to be reassured on this point by Mr. Talboys himself. Mr. Talboys said that his Government was immensely grateful to the Prime Minister for the stand she had made on New Zealand's behalf. It was vitally important that Mrs. Thatcher should maintain her position and thereby give New Zealand's negotiators a chance to persuade the other Members of the Community of the merits of their case. He himself had visited every Member State of the Community and had seen all the Ministers of Agriculture. With the exception of the French and the Irish, they had all expressed their opposition to a system based on intervention and export restitutions. But once the sheepmeat regime got caught up in the wider debate about the Community's future, they tended to throw their hands in the air.

The Prime Minister said the time was approaching when the other Members of the Community would have to make their views plain. She had seen from the overnight telegrams that Britain's criticism of the Luxembourg proposal was making some impact. (The Prime Minister read to Mr. Talboys most of UKREP Brussels Tel No. 2323.) It was now of great importance that the New Zealand authorities should bring home
/their views

their views to the Commission. Mr. Talboys said that he was going to Rome from Belgrade and hoped to see Mr. Marcora there. He would then go on to Brussels where he had appointments with Mr. Gundelach on Monday 12 May and with Mr. Jenkins on Tuesday 13 May. He had spoken to the Dutch Foreign Minister, Mr. van der Kloouw, immediately before coming to see the Prime Minister and had been told that the Dutch Government was opposed to the suggested regime. It was, of course, ridiculous that the Community should be thinking of putting in place a regime designed to produce a surplus in a product when they were at present importing 40 per cent of their requirements. The paper submitted earlier by the British Government set out views which the New Zealand Government could accept wholeheartedly.

The Prime Minister said that she hoped Mr. Talboys could let her have a note of the progress made by New Zealand in its discussions. Mr. Talboys said that he would be seeing Mr. Walker soon.

The discussion ended at 0915.

Amis

8 May 1980