



Prime Minister
 Did Mr Muldoon raise
 this point with you?

Foreign and Commonwealth Office

London SW1A 2AH

17 July 1981

And 22/7

Dear Michael,

EC/New Zealand Trade Agreement

A. |

On his return to New Zealand after his recent visit, Mr Muldoon has asserted that, when he saw the Prime Minister last month, he obtained her support for the idea of a formal trade agreement between New Zealand and the Community to replace the periodic wrangles over butter and sheepmeat. Can you throw any light on this? The New Zealanders have not made any formal proposal, but we know that Mr Muldoon raised the subject with President Mitterrand and Chancellor Schmidt and alleges that the former responded 'positively'.

yours ever
 R M J Lyne

(R M J Lyne)
 Private Secretary

He mentioned it
 to me as a great
 advance in New Zealand's
 relations with
 the EEC.

M O'D B Alexander Esq
 10 Downing St

Subject to the danger
 that would have to be
 dealt with in such an agreement
 namely that Britain must not
 be expected to take in all
 the import while the rest of
 the Community gets all the
 exports of manufactured goods.
 I said I thought it as
 Muldoon looks at
 import control. An
 import control
 and