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Foreign and Commonwealth Office

London SW1A 2AH

4 July 1986

Prime Minister

Dear Charles,

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EC/New Zealand

The New Zealand High Commissioner called yesterday evening on the Foreign Secretary to deliver a message from Mr Lange to the Prime Minister. I enclose a copy of his letter.

The settlement of differences between France and New Zealand is on the lines we had expected. It opens the way for the Commission to make a proposal for the amount of New Zealand butter to be allowed reduced levy access to the EC in 1987 and 1988. We impressed upon the New Zealanders the importance of committing the French not to oppose the quantities which the Commission proposed in 1983. As Presidency we shall be working for an early solution along these lines. But the Irish and Danes will be looking for lower figures. Nor is it a foregone conclusion that the Commission themselves will revert to the previous figures, given the reduction in production imposed on EC producers over the past three years. Sir David Hannay has therefore been instructed to lend vigorous support to New Zealand approaches to the Commission.

I am sending copies of this letter to Ivor Llewellyn (MAFF) and David Williamson (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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New Zealand High Commission
London

2 July 1986

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1A

Dear Sir Geoffrey

I have been instructed to ask you to pass on to your Prime Minister the following letter from my own Prime Minister.

"Dear Prime Minister

I want you to know that we have now been given in the strictest confidence by the Secretary-General of the United Nations a copy in draft of his rulings on the dispute between France and New Zealand.

One of his rulings relates to New Zealand access to the EC, and particularly the fixing of butter quantities for 1987 and 1988. The French are to give a guarantee that they will not oppose a Commission proposal for 77,000 tonnes in 1987 and 75,000 tonnes in 1988.

In our view, that guarantee removes a crucial obstacle from the access path. It clears the atmosphere. It not only commits France to supporting the tonnage we want. It also takes away any shield from behind which other member countries could reject those tonnages.

I am therefore writing to President Delors requesting that the Commission now table its proposal on our butter access, and that it contain the quantities of 77,000 tonnes in 1987 and 75,000 tonnes in 1988.

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My letter (of which I attach a copy) makes clear to Mr Delors that New Zealand has been concerned to accommodate the wish of our friends in the Community that the problem between France and New Zealand should not become a matter of contention between the EC and France, or the EC and New Zealand. We had also agreed to a deferral of the access debate to allow mediation to be considered.

I am sure you will agree with me that the picture now looks much clearer. I hope you agree with me that the Commission should be asked to act as I have proposed.

The United Kingdom now has the Presidency of the Council. Michael Jopling will be in the chair when Farm Ministers' meet and Geoffrey Howe in the case of Foreign Ministers.

I think it would strengthen the case for a quick decision on terms which we favour if the United Kingdom, in its position of influence, could also make that point strongly to the Commissioners involved, and to Delors himself.

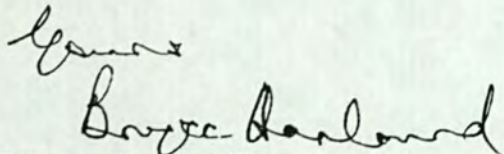
We shall need to coordinate our work on this issue, and I am instructing the High Commissioner in London and the Ambassador in Brussels to liaise closely with British officials from now on. I hope this is acceptable to you.

British support has always been given to us unstintingly on access. We in New Zealand are most grateful for it, and we should welcome it again on this occasion.

Yours sincerely

David Lange"

I have also been instructed to make some additional points to you, and will be doing so when I present this letter.



(Bryce Harland)
High Commissioner

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