Extract for PM's telephone convertation with Pres Giscard

D'Estaig on Fiday 5-21 Nov 1980 at 1545 hrs

M: Not before. But we keep a wholly open mind on it at the moment. I am going to Rome I think 2 or 3 days before you.

PG: Ah, yes. This week.

PM: Yes, I'm going on Sunday. Then I have to be back because we're making a statment, the Chancellor of the Exchequer's making a statement in Parliament on Monday. I just felt that I might be tackled about the quadripartite matter. And we'll just play it the way as best I can.

France : Anglo/France

<u>PG</u>: Well I think the answer is that there is no for instance, for the moment there is no proposal to hold such a meeting, so there's no position to take about it. Now probably I will have some questions when I go to Rome and I will say the same.

<u>PM</u>: Just a word if I may about Commission portfolios. I'm not quite sure what the position is and I wondered if you had any particular views because when we came to Paris I know that you weren't quite certain whom you were appointing and you asked me about portfolios. And I wondered if you still have any particular views because they will soon be deciding.

PG: Yes, about the people we have not decided yet about the French representatives. But there is one portfolio we are very keen to keep, that is the portfolio of, I don't know what is the name, it's for cooperation. It's due to the fact that we still have and we will keep for a few years ahead a rather close relationship with the sub-African countries and for them to see it change will probably be resented like some distance we are taking from their interests. So it's a reason for which I meant to talk, that is really the portfolio to which we are deeply attached. The others could be discussed on a, in an open way. But I ask Wahl to tell your assistant, to avoid any conflict on this because we don't want to have a dispute.

PM: Yes, that's why I asked. I don't want to have a dispute either. As you know Mr. Richard has done a lot of work in that sphere and therefore I wanted to know what your views were so that we can adjust ours accordingly.

3: Yes. This we have discussed deeply and there is a very strong desire because it has been like this since the beginning. We know very well that it cannot last forever. But for the moment there is still an expressed desire by our partners so ...

PM: Yes, well we would very much like to keep the budget this year. We've had it just 4 years and Mr. Tugendhat's staying and we would, for similar reasons, very much like to keep the budget. But if Mr. Wahl keeps in touch, we keep in touch with Mr. Wahl then that will see that we don't clash. There's only one other thing may I mention, I had messages from Mr. Muldoon of New Zealand, very concerned, which is why I did send a message Mr. President to you earlier in the week about New Zealand butter which matters a very great deal to them. It's a small amount to Europe and I myself have not gone into the details. May I just say therefore that I hope our Foreign Ministers can sort it out at their next meeting. Hello, hello?

PG: Well, I'm sorry I don't hear you too well.

PM: Oh, I'm so sorry. I sent a message which I had received from Mr. Muldoon about New Zealand butter.

PG: Yes, I received it.

<u>PM</u>: Yes, he's very concerned. It means a lot to his economy and comparatively little to us and I just hope that our Foreign Ministers can sort out the matter at the next Council of Foreign Ministers. I myself have not gone into the detail, we would like to help a person whose been a very great friend of Europe.

PG: Yes, well I received your message and I also instructed Francois-Poncet to study, to review the question in a friendly attitude. I just will mention that there is some contradition between British attitudes. One is to criticise the excess of stockpile of butter in the Community and the other is to ask for broader imports. But we understand that of course New Zealand interests are at stake in this question so I hope it will be possible to find a fair solution at the next meeting.