

MINISTER'S MEETING WITH NEW ZEALAND DEPUTY PRIME MINISTER - 2 OCTOBER 1980

The Secretary was present when the New Zealand Deputy Prime Minister, Mr Talboys, called on the Minister on 2 October. He was accompanied by Mr Lynch, Mr Thompson, Mr Ansell and Mr Woodfield.

2. Mr Talboys expressed his gratitude for the successful negotiations on sheepmeat and 1980 imports of butter. The outcome he described as mutually advantageous.

3. The Minister warned that New Zealand would face difficulties in getting arrangements settled for access for her butter after 1980. France and Ireland would be the difficult ones, with France perhaps tempted to use the issue as a tactical counter in forcing our agreement to a high price settlement. Ireland remained hostile because of natural commercial rivalry but could be bought off if she was isolated. The Minister advised the New Zealanders to continue cultivating other European Ministers. He warned that the National Farmers' Union in England and Wales was becoming more vocally hostile to New Zealand dairy products. His advice was that New Zealand should stick to its position that the Commission proposals were the least that should be done for New Zealand. He confirmed that, at the worst, if no arrangements were made, there would be no right for New Zealand to send us butter at less than the full EEC levy after 1980. He agreed that Mr Talboys could see him before the next Council.

4. Mr Talboys said that the New Zealanders might refuse to ratify the recent sheepmeat agreement unless arrangements could be settled for the import of butter after 1980. The Minister warned him that New Zealand would incur the dislike of the European Community and of British farmers if she did so; and to no useful purpose. The sheepmeat régime could go ahead without New Zealand agreement and the Community could ruin New Zealand's exports.

5. Finally, the Minister outlined what he had been able to achieve for New Zealand in the sheepmeat régime and the points still to be settled.

*G R Waters*

G R WATERS  
8 October 1980.

Mr J H V Davies + 1

cc Miss Rabagliati  
Mr Steel  
Mr Sadowski  
Mrs Brock  
Mrs Archer  
Mr Dixon  
Mr Andrews  
Mr Mordue  
Mr Edwards

PS/Lord Privy Seal  
Mr Pattison - No 10  
PS/SS Scotland  
PS/SS Wales  
PS/SS Northern Ireland  
PS/Cabinet Secretary  
PS/SS Trade

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