

E. R.

VISIT OF MR. MULDOON

TO LONDON

WEDNESDAY 19 MAY 1982



VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

LIST OF BRIEFS

- (1) Falklands - New Zealand Response
- (2) New Zealand Internal and UK-NZ Relations
- (3) Sporting Contacts
- (4) UK/New Zealand Air Services
- (5) UK-New Zealand Trade
- (6) Defence Sales
- (7) New Zealand - European Community Relations
- (8) Commonwealth Matters
- (9) East/West Relations, including Poland
- (10) MFO/New Zealand Participation
- (11) Iran/Iraq

PRIME MINISTER'S DINNER FOR MR MULDOON: 19 MAY

Notes for possible after-dinner remarks by Prime Minister

Always pleased to see such a good friend of long standing. New Zealand shown its friendship handsomely in last few weeks in crisis over Falklands. We welcome the steadfastness you have shown over the important issues raised. It is in such circumstances that one truly finds who one's friends are.

Our relationship with New Zealand is an enduring one. This is an historic year in our relations, the hundredth anniversary of the first refrigerated shipment of New Zealand lamb to Britain. The nature of the relationship between Britain and New Zealand has, of course, changed much over the years, but it has matured and, I think, strengthened with the changes. Certainly, we in Britain know that New Zealand shares with us solid values. These values have shown themselves in the issues over the Falklands. And we share the values, and the approach, to other international matters, both in the political and the economic spheres.

I hear that you have been taking a close interest in football - with a round ball - while you are here. No doubt you will also be taking close interest in New Zealand's team at the World Cup. I would like to take this opportunity of wishing them all the best but I hope this sentiment will not be misinterpreted in Scotland. [New Zealand meet Scotland in first series of matches.]

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

FALKLANDS - NEW ZEALAND RESPONSE

BRIEF NO 1

POINTS TO MAKE

1. Deeply grateful for New Zealand's prompt and robust support.
2. Prompt response not gone unnoticed by the people of Britain. Continued support much appreciated.

South Pacific Department

17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

FALKLANDS - NEW ZEALAND RESPONSE

BRIEF NO 1

ESSENTIAL FACTS

1. Very robust support for UK by New Zealand Government. Mr Muldoon issued very positive statement on 3 April condemning Argentine action.
2. New Zealand Government subsequently took the following measures:-
 - Made statement in Security Council, 3 April
 - Broke diplomatic relations; banned Argentine airlines, 5 April
 - Banned imports and exports; banned sales of arms and military material; suspended export guarantees for new transactions, 13 April
3. Neither of the two RN frigates (HMS Dido and HMS Bacchante) we are selling to RNZN have yet been sent on the Task Force. However, we are delaying handover of HMS Bacchante to fill gaps elsewhere, and possibly to send later (see Brief No 6).
4. Some RNZN personnel on exchange were on ships now in Task Force, but they were taken off before the ships sailed south.

South Pacific Department
17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

NEW ZEALAND INTERNAL AND UK-NZ BILATERAL RELATIONS

BRIEF NO 2

POINTS TO MAKE

Anglo-NZ Relations

1. Greatly appreciate close links between our two countries and New Zealand's firm contribution to Western consensus on international issues.

2. Will you be here again in August for the Commonwealth Finance Ministers' meeting?

British in Pacific

3. Recent Heads of Mission Conference in Wellington very useful. Enabled us to consider our future role in Pacific. Opening of ODA Development Division in Suva in July shows our continuing commitment to the region.

French in Pacific

4. How do you see future French role in Pacific, particularly in light of Ratu Mara's recent mission to Paris?

Fiji

5. How do you rate Ratu Mara's chances of success in the forthcoming elections? What if he loses?

CER (Closer Economic Relations) with Australia

6. How is CER developing?

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

NEW ZEALAND INTERNAL AND UK - NZ BILATERAL RELATIONS

Brief No 2

Essential Facts

NEW ZEALAND

1. Mr Muldoon's National Party was returned in last November's elections but with an overall majority of only 1 over Labour Party (and 2 Social Credit members). However this majority is workable in New Zealand terms. Mr Muldoon is also Minister of Finance; since the election he also seems to have taken closer control of foreign affairs, with Mr Cooper concentrating on Foreign Trade issues.
2. New Zealand economy remains depressed. Unemployment level, 5.7%, is the highest in New Zealand's history. Inflation is around 15.5% and expected to rise.

Anglo/NZ Relations

3. Anglo/New Zealand relations are very good. New Zealand Government's robust support over the Falklands crisis reflected in New Zealand public opinion. Regular bilateral contacts at all levels. Mr Muldoon visited London in June 1981 and again for the Royal Wedding. We assume that he will visit London again in August for the Commonwealth Finance Ministers' meeting but no announcement has yet been made. Lord Carrington visited New Zealand in September last year; Mr Buchanan-Smith in February and Mr Atkins in March this year. Mr Cooper (New Zealand Minister of Foreign Affairs and Overseas Trade) visited London in March and some other Ministers are visiting during May.

British Presence in the Pacific

4. Mr Muldoon is keen that we retain our presence in the South
/Pacific.

Pacific. We maintain 8 resident missions in the Pacific. Our aid to the area amounts to about £24 million per annum, though this high level reflects generous independence settlements, and cannot be maintained. A Development Division will be established in Suva this summer. Mr Atkins chaired a Heads of Mission Conference in Wellington in March. This Conference was a useful opportunity to consider our future role in the Pacific and also to impress upon the New Zealanders our continuing interest in the region.

The French in the Pacific

5. France retains two territories in the Pacific: New Caledonia and French Polynesia. Ratu Mara led a South Pacific Forum delegation to Paris earlier this year to discuss the future of New Caledonia and French nuclear testing on Muroroa. There was no movement on the question of testing. We understand that independence for New Caledonia was not mentioned by the French who seem to have concentrated on giving the Mission a full briefing on their future plans for the cultural and social development of New Caledonia. This appears, at the moment, at least, to have taken the sting out of Pacific hostility on this issue and to have satisfied Forum honour.

Fiji

6. General Elections are due in July 1982. Racial balance of approximately 44% Fijian, 49% Indians is reflected in the political parties. A win for the Indian Party (National Federation Party) over Ratu Mara's Alliance Party might lead to racial disturbances. Some observers have even speculated on the possibility of intervention by the Fijian-dominated Defence Forces in this event.

NZ/Australian Relations

7. The trans-Tasman relationship is of overriding importance to New Zealand. Both countries have agreed that they should maximise the combined effectiveness of their defence capabilities and explore broad areas of cooperation where the two countries can work more

/closely

closely together. Mr Muldoon and Mr Fraser agreed in March 1980 to study the prospects for a "Closer Economic Relationship" (CER) between New Zealand and Australia. The agreement is scheduled to come into effect on 1 January 1983, but progress has been slow because of New Zealand's problems with its highly protected industries and also because of personal animosity between Mr Muldoon and Mr Fraser.

South Pacific Department
Foreign and Commonwealth Office
17 May 1982

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

SPORTING CONTACTS WITH SOUTH AFRICA

BRIEF NO 3

POINTS TO MAKE

1. Continue to support Gleneagles Agreement.
2. But, like New Zealand, such support must be limited to discouragement or advice, in accordance with our laws.
3. Glad that question of attendance at the Brisbane Games seems to have been resolved by Commonwealth Games Federation. Hope that Games can go on without incident. But revision of Federation's Constitution could cause problems for future Games. We shall have to study its implications when the Federation has agreed a new text.

Cultural Relations Department
Foreign and Commonwealth Office
May 1982

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

SPORTING CONTACTS WITH SOUTH AFRICA

BRIEF NO 3

ESSENTIAL FACTS

Gleneagles Agreement

1. We have made clear our commitment to the Gleneagles Agreement and will continue to discourage sporting contacts with South Africa.

2. But in a free society, Government action is limited to the giving of advice and discouragement; the decision whether to go to South Africa or anywhere else is ultimately one for the individuals concerned. We sympathise with New Zealand's position on Gleneagles. It is essentially the same as ours.

Commonwealth Games: Brisbane: 20 September to 9 October 1982

3. A special General Assembly meeting of the Commonwealth Games Federation was held in London on 5 May. The objective of the meeting was to permit New Zealand to attend the Brisbane Games without provoking an African boycott. In this it was successful, unless some African countries change their attitudes in the meantime. But the meeting set up a drafting group to consider a text to amend the Commonwealth Games Constitution to allow for exclusion of member countries which continued to have sporting links with South Africa. This proposal, if implemented could present problems for the next Games, due to be held in Edinburgh in 1986 since it is likely that some British individuals and teams will continue to travel to South Africa, despite advice not to go.

4. The British delegations at the meeting deliberately kept a low profile. Behind the scenes, however, they worked with the Commonwealth Secretariat and some other delegations, to secure the desired result. They had previously decided that, should New Zealand be unfairly excluded from Brisbane, all seven British

/teams

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teams would boycott. This decision would have been made if necessary at the 5 May meeting. The New Zealanders were aware of the decision and British tactics.

Cultural Relations Department
Foreign and Commonwealth Office
May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

UK/NEW ZEALAND AIR SERVICES

BRIEF NO 4

POINTS TO MAKE

1. To let Air New Zealand (ANZ) into Heathrow would breach our long-standing policy not to let new airlines into Heathrow. If we let ANZ in, we could not resist the claims - possibly legal claims - of the many other airlines hitherto excluded from Heathrow, and the result would be intolerable congestion.
2. It makes no difference that ANZ aircraft were flown into Heathrow in the past by British Airways. ANZ would still be a new airline at Heathrow. Other overseas airlines have advanced similar arguments and been refused.
3. We do not accept New Zealand objections to Gatwick as being valid. It is less congested; charges to airlines are lower than at Heathrow; and onward connections to Europe out of Gatwick are improving all the time. In terms of international passengers, Gatwick is now the fourth biggest airport in the world.
4. The memorandum signed by UK and New Zealand officials last December makes the start of the ANZ service to London conditional on agreement between ANZ and Cathay Pacific on the joint operation of a service between Auckland and Hong Kong. We must stick to this understanding. We do not think that Cathay Pacific have been holding out for unreasonable conditions: they want to make the service a success. But we are worried by reports that ANZ want to put the basic fare up by 70%.
5. In any case, we hope that the problems of the Hong Kong-Auckland route will be settled at a meeting between ANZ and Cathay Pacific starting on 19 May.

Department of Trade

17 May 1982

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

UK/NEW ZEALAND AIR SERVICES

BRIEF NO 4

ESSENTIAL FACTS

British Airways have for many years operated services to New Zealand and Air New Zealand now wish to commence services to London in August.

The Hong Kong-Auckland route

Arrangements for the new services were agreed in Wellington last December and embodied in a Memorandum of Understanding between the two Governments; the text of a formal Air Services Agreement was negotiated at the same time, but has not yet been signed. Air New Zealand had wanted to discontinue its unprofitable services between New Zealand and Hong Kong when it started its new London service, not only to cut its losses but also to divert traffic at present travelling to London via Hong Kong on to its own new services to London via Los Angeles. The United Kingdom throughout the negotiations insisted on the maintenance of a Hong Kong-New Zealand service as an important link between two parts of the Commonwealth which was considered important by us and the Hong Kong Government and which Cathay Pacific Airways (the private UK owned airline based in Hong Kong) believed they could operate at a profit: we were however ready to see a joint service operated by Cathay Pacific together with Air New Zealand if that was what the New Zealand Government wanted.

It was thus agreed between the two Governments last December that Air New Zealand would only commence services to London when a commercial agreement between Air New Zealand and Cathay Pacific for services between Hong Kong and Auckland had been concluded and approved by the two Governments. The two airlines have experienced considerable difficulty in reaching agreement. Cathay Pacific Airways have told the Department of Trade that Air New Zealand are imposing unreasonable conditions requiring the use of their own aircraft and crews for a long period in the early days of the service, and have sought a prohibitive 70% increase in the basic excursion fare which would destroy the economics of the

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operation. We believe that Cathay Pacific are not for their part imposing unreasonable conditions: this would not be in their interest, whereas unfortunately it is in Air New Zealand's. We also suspect that Air New Zealand have given incorrect accounts of the Cathay Pacific position to the New Zealand Government. Mr Muldoon may therefore argue that Cathay Pacific have been obstructive.

We have some reason to hope that the airlines will at last conclude a commercial agreement when they meet again on 19 May. In the meantime we stand by the December 1981 agreement.

Heathrow or Gatwick

Throughout discussions of Air New Zealand's new services to London, the UK has made it clear that they would not have access to Heathrow Airport. It has been UK policy since 1977, which Department of Trade Ministers endorse and have publicly restated, that no airline which is not already operating scheduled international passenger services to Heathrow is allowed to start services there. There have been no exceptions to this rule. Air New Zealand would be a new operator: although until 1980 their aircraft were used at Heathrow, this was under an agreement with British Airways for equipment interchange at Los Angeles and the services were operated by British Airways with British Airways crews, not by Air New Zealand. To discriminate in favour of Air New Zealand by giving them a special dispensation would undermine our airports policy both generally and because other airlines could raise arguments in terms of English domestic law to contest their own exclusion from Heathrow. Since 1977 25 new airlines have started services at Gatwick and operate there successfully: these include Cathay Pacific services between London and Hong Kong. If any significant number of these airlines were to be able to move to Heathrow, the congestion problems would be intolerable.

Air New Zealand have told the Department of Trade privately that, although Mr Muldoon will probably wish to raise the issue of access to Heathrow, he is likely in the end to acquiesce in Air New Zealand going to Gatwick. Air New Zealand themselves do not appear greatly concerned: no doubt they realise that they will not be at any operating disadvantage. It is New Zealand Ministers who think that there is discrimination against their national airline.

Department of Trade
17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

UK/NZ TRADE

BRIEF NO 5

POINTS TO MAKE

Automotive Preferences

1. Sorry to hear that New Zealand is considering phasing-out the tariff preferences on British motor vehicles. We have always valued this concession. But if it has to be withdrawn, would it be possible for it to be staged over a period of say five years?
2. We believe that the removal of the preference can only benefit the Japanese and enable them to increase further their already large share of the market. (It is already 75-80%.) Would it be in New Zealand's interest for the Japanese to establish thoroughgoing monopoly?

Department of Trade

17 May 1982

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

UK/NZ TRADE

Brief No 5

ESSENTIAL FACTS

1. New Zealand traditionally has a surplus on visible trade with the UK, outweighed by a large deficit on invisibles. The current account balance is thus usually in the UK's favour.
2. The UK's percentage share of New Zealand's trade has diminished steadily over the years, but we remain its largest customer and second largest supplier. The UK now accounts for 14% of New Zealand's imports (compared with 56% in 1953 and 28% in 1973) and 14% of its exports (67% in 1953 and 27% in 1973). This decline in the relative importance of UK/New Zealand trade is probably due in part to the UK diverting its export effort towards the European market and to New Zealand's increasing tendency to purchase from its Pacific Basin neighbours. Apart from the UK, New Zealand's main trading partners are Australia, the USA and Japan.
3. UK exports to New Zealand in 1980 were 20% lower than in 1979, continuing their decline in volume of the last few years; in addition to the reasons quoted in paragraph 2, this trend can also be attributed to the depressed state of the New Zealand economy. Imports from New Zealand fell very slightly in 1980, owing largely to a decrease in the volume of imports of wool, sheepmeat and butter.

Automotive Preferences

4. Following the termination of the UK-New Zealand trade agreement on our accession to the EC in 1973, the New Zealand government has phased out most of our tariff preferences in four stages ending in July 1977. Until now, they have taken no action over the preferences on motor vehicles and parts. However, on his recent visit to this country Mr Warren Cooper, NZ Foreign Minister and Minister for Overseas Trade mentioned at a meeting with, the then Secretary of State (Trade), Mr Biffen,

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that the Industries Development Commission would be recommending the phasing out of British tariff preferences on vehicles in the next few months and that this would then be discussed at official level. The Secretary of State made no comment on this proposal as he felt that it was not worth making an issue of the proposed withdrawal of preferences, because the UK share had already fallen so low.

5. Currently, import duty is levied at a rate of 20% on most types of vehicle imported from the UK, compared with 55% on competing imports from most other countries.

6. The continued existence of the preferences may be, at least in part, a recognition of the efforts which we have made within the EC to maintain some degree of access for New Zealand agricultural produce. It may also be due to fears of the effect on the New Zealand car market of its increased penetration by the Japanese; removal of the preferences would advance this process.

Vehicle Sales in New Zealand

7. Sales of British vehicles to New Zealand have fallen drastically during the last five years, even though the total market has increased. In percentage terms the UK share was reduced to less than a third last year compared with 1977. The figures for the first three months of this year continue to show a decline in our share of the market.

8. We believe it is in New Zealand's own interests to maintain the existing preferences for as long as possible since without them not only would UK-sourced car kits be effectively excluded from New Zealand but also components, with the result that Japanese suppliers would achieve a monopoly position and be free to put up their prices at will.

9. In the past, vehicles and vehicle components have been the UK's largest single class of export to New Zealand. This collapse in our share of the market therefore has alarming implications for the future pattern of trade.

Department of Trade

17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

DEFENCE SALES

BRIEF NO 6

POINTS TO MAKE (Defensive)

Sale of Ex-RN Warships to New Zealand

1. The Fleet programme has had to be completely revised. Nevertheless we hope that the sales negotiations will soon be concluded.
2. There may be a short delay to permit force levels in the South Atlantic to be maintained. We believe that any delay will be very short and make it unnecessary to take up this generous offer. But we may take it up if circumstances change.
3. We will need to look again at question of supply of torpedoes when crisis is over. However we feel sure that a satisfactory solution can be found.

Ministry of Defence

17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

DEFENCE SALES

BRIEF NO 6

ESSENTIAL FACTS

Sale of Ex-RN Warships to New Zealand

1. MOD has been negotiating the sale of 2 RN warships (BACCHANTE, DIDO) to New Zealand. Negotiations are at an advanced stage: £4m has already been paid over and final documents are almost ready for signature. The New Zealand High Commission is aware that MOD may shortly propose deferring the handover of BACCHANTE (negotiated for 16 September 1982) to permit her to complete a deployment to the South Atlantic.
2. The Royal New Zealand Navy would not want the handover to be delayed more than 2 weeks, because of the disruption a longer delay would cause in their dockyard where BACCHANTE is to be refitted. In fact, it should just be possible to accommodate them on this. But so keen are they to avoid a longer delay that they might wish to propose that a Royal New Zealand Navy ship should fill a gap in other RN commitments caused by the deployment of the Task Force, permitting BACCHANTE to be handed over on time.
3. Such an offer would be typically generous. There are however complications. The most suitable commitment in geographical terms for the Royal New Zealand Navy to assume would be the Gulf deployment, but there might be difficulty about accepting UK Command and Control and Rules of Engagement. NATO commitments might not be suitable. An appropriate national commitment would therefore have to be sought, possibly in UK waters. In any case we believe we should be able to keep any delay to the handover to BACCHANTE to a few weeks.
4. While it should be possible to arrange the deferment, another problem has just arisen of which the New Zealanders have just been told. Partly because of the deployment to the South Atlantic, the Royal Navy has reviewed its holdings of

/MK 46

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MK 46 torpedoes which form an important part of the BACCHANTE/DIDO sales package; the Royal Navy believes it may now prove difficult to go through with this element of the sale. The situation is under urgent review, and it is hoped to find a solution satisfactory to the New Zealanders.

Ministry of Defence
17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

NEW ZEALAND - EUROPEAN COMMUNITY RELATIONS

BRIEF NO 7

POINTS TO MAKE

Budget/CAP Reform

1. Much activity as negotiations reach crucial stage. Considerable pressure on us to let farm price package go through. But direct impact of cost of CAP on our net budget contribution requires that we must continue to insist on a solution to budget problems on basis of 30 May Mandate.

2. In some respects farm price package furthers cause of CAP reform - e.g. lower than average price increases for such products in surplus (e.g. cereals), introduction of production thresholds. But there have been limits on how far we could press for greater CAP reform in current price fixing in view of our overriding budgetary objectives. CAP reform a continuing process.

Butter

3. You can count on our support during EC consideration of 1983 tonnage (on which Commission are likely to make proposals after CAP prices settlement) and on post-1983 arrangements.

Sheepmeat (if raised)

4. Glad that 'clawback' arrangements are not threatening New Zealand sales to UK or to third countries.

/EC

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EC/New Zealand Long-term Trade Agreement (if raised)

5. Willing to explore New Zealand ideas. We support development of EC/New Zealand cooperation, but not clear how formal agreement would help over substance of problem with agricultural products since French would likely insist that access be regressive and finite.

European Community Department

(External)

14 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

NEW ZEALAND - EUROPEAN COMMUNITY RELATIONS

BRIEF NO 7

ESSENTIAL FACTS

Budget/CAP Reform

1. New Zealand's main interest in the restructuring negotiations is in reform of the CAP. She wants a reduction in the overall level of support for Community farmers, so as to improve both her opportunities in Community markets and her ability to compete with Community exports to third countries. Mr Muldoon will be looking for our opposition to any pressure for increased protectionism or greater subsidisation of exports. He may also emphasise his concern that changes in the CAP should not affect the Community's obligation to long-term preferential access for New Zealand butter or the arrangements for continued supply of New Zealand lamb concluded in 1980 as part of the sheepmeat regime.

Butter

2. Protocol No 18 to the UK Accession Treaty guaranteed access for New Zealand butter and cheese up to 1977 at fixed (but degressive) quotas and committed Community to adopt 'appropriate measures to ensure the maintenance after 31 December 1977 of exceptional arrangements in respect of imports of butter from New Zealand'. Two subsequent Community agreements provided for 1978-1980 and then 1981-83 access. The second agreement allows 94,000 tonnes in 1982, with quantities for 1983 to be determined by 1 October 1982 and post-1983 arrangements to be considered before 1 August 1983. New Zealand Government were satisfied with this agreement. M. Thorn, during recent visit to Wellington, apparently told Mr Muldoon that Commission would make a proposal for the 1983 tonnage this summer as

/soon

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soon as price fixing and 30 May mandate were settled.

Mr Buchanan-Smith took similar line on timing of Community discussion during his recent visit to New Zealand.

Sheepmeat

3. EC sheepmeat regime (October 1980) established VRA with New Zealand (quantities 6 per cent above 1977-79 ceilings and tariff rates halved) which runs to March 1984.

4. EC internal arrangements allow deficiency payments (sheep premiums) to be paid to sheep breeders and fatteners. Exports however subject to charge equal to the deficiency payment ('clawback') which makes exporting uneconomic. UK succeeded in exempting exports to third countries from clawback until end of 1981/82 marketing year, and pressed unsuccessfully for exemption also for exports to other Member States. We are currently pressing for clawback exemptions for third country exports to be extended into 1982/83 marketing year.

5. Earlier last year clawback worried New Zealanders on two counts:

(a) exemption from clawback on exports to third countries might lead UK to compete with them in these markets (though quantities involved are relatively small - currently about 4,000 tonnes pa);

(b) clawback could prevent meat being exported from UK to other Member States; its retention on UK market would depress our price and reduce demand for, and return on, New Zealand exports to UK.

/However

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However the drop in sterling in the latter half of 1981 alleviated these problems. UK exports to the EC ended the year only 12 per cent down. New Zealand exports to the UK dropped from around 200,000 tonnes to 155,000 tonnes in 1981 but this largely due to New Zealand expansion into lucrative Middle East market. But Iran stopped payments in November 1981 and New Zealanders now want to send more than full VRA quantity (about 245,000 tonnes) to Europe this year. Perhaps as much as 200,000 tonnes would be destined for the UK (though, formally, the New Zealanders have so far suggested only 180,000 tonnes). Quantities of this size will need handling with great care if the market is not to be distorted.

EC/New Zealand Long-term Trade Agreement

6. Mr Muldoon suggested this to Prime Minister in June 1981. M. Thorn argued during his recent visit to Wellington that a long-term agreement would be inappropriate at present time and Mr Muldoon subsequently told press he had accepted this advice. But Thorn may have raised hopes that Community would consider such an agreement in the future. Such hopes need to be discouraged. Main New Zealand wish is to negotiate permanent access for sheepmeat and butter and thus avoiding need for periodic renegotiation. They might offer preferential concessions to EC industrial exports in return. But this would cause difficulties in GATT with the Americans, with whom EC informally agreed in 1973 not to extend its preferential trading areas. It would moreover generalise in favour of the whole Community the preferences which New Zealand continues

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to grant the UK on motor vehicles and parts. French in any case unlikely to agree to unrestricted access for sheepmeat and butter. Only precedent for an EC agreement with a developed third country outside Europe is the EC/Canada Agreement of 1976 which contains no provision for preferential trade access in either direction.

European Community Department
(External)

14 May, 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

COMMONWEALTH MATTERS

Brief No 8

POINTS TO MAKE

Commonwealth

1. Commonwealth morale and confidence is high. Response over Falkland Islands crisis very gratifying; that from old Commonwealth particularly magnificent. NZ response outstanding. You will have received my message and perhaps seen appreciative references in Parliamentary statements. But welcome opportunity to thank you in person for NZ support. Essential to keep pressure on Argentina. Confident Commonwealth will continue, united, to defend hallowed principles.

Commonwealth Games

2. Also glad threatened boycott of Commonwealth Games averted. Due in no small measure to conciliatory attitude of NZ delegation at Commonwealth Games Federation. Also active lobbying by Secretary General, Australia and UK.

Commonwealth Heads of Government Meetings 1981 and 1983

3. Good to see you in Melbourne. CHGM serves useful purpose. But as numbers grow meetings become too stylised. Insufficient scope for real debate. Eight days is too long. Believe you may agree? Opportunity to air criticisms at CSOM (November). Could our officials discuss? Hope for better things at Delhi CHGM. Understand no dates yet fixed. But (proposed) end November 1983 possible date for Elections here and in Australia.

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Commonwealth Finance Ministers' Meeting

4. Understand that normal (although not sacrosanct) for PM of host country either to open meeting or to offer hospitality. Regret I am unable to do either. Chancellor will be chairing and hosting reception.

Succession to the Crown Bill

5. Measure totally inappropriate for Private Member's Bill. Glad you told Mr English that this was a Government matter. Any such legislation in Commonwealth would have to be agreed fully amongst Commonwealth Realms before adoption. Do you see UN Convention on Discrimination against Women as problem here?

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Commonwealth Co-ordination Department
Foreign and Commonwealth Office
17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

BRIEF NO 8 : COMMONWEALTH MATTERS

ESSENTIAL FACTS

Commonwealth general

1. Morale has fluctuated since Lusaka CHGM (1979) boosted by Zimbabwe independence and Uganda elections (1980) but impaired by Springbok tour of NZ and resultant change of venue of Commonwealth Finance Ministers' meeting from Auckland to Nassau (1981). State of Commonwealth good at present. Almost unanimous response over Falklands. Old Commonwealth particularly robust: banned imports, stopped export credits and sales of military equipment. NZ also banned imports, landings by Argentine aircraft, broke off diplomatic relations. Mr Fraser and Mr Muldoon particularly supportive with messages to PM and telephone call (Mr Fraser). Some anxiety that Commonwealth solidarity may suffer if force used with consequent heavy casualties.

Commonwealth Games

2. Brisbane Games (30 September to 9 October) jeopardised by some African countries' threat to boycott unless NZ were excluded on account of Springbok tour of NZ 1981. But boycott averted at Commonwealth Games Federation Meeting (5 May) due to intensive lobbying by Commonwealth Secretary-General, Australia and UK, and suitably penitent attitude of NZ. But Australia still apprehensive. (Substantive briefing in Brief No 3.)

Commonwealth Heads of Government Meeting
1981 and 1983

3. Melbourne 1981 meeting generally balanced and moderate. But 'Old Commonwealth' had criticisms. Mrs Gandhi (next Chairman, Delhi 1983) understood to share misgivings. Commonwealth Senior Officials Meeting (November 1982) opportunity for like-minded to press for change. Dates for 1983 CHGM not

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yet circulated for approval by Heads of Government. Indians considering 23-30 November. But conscious of possible clash with British and Australian elections.

Commonwealth Finance Ministers' Meeting (CFMM)

4. Meetings traditionally held before IMF/IBRD meetings. This year in London (Lancaster House) 30-31 August, Bank Holiday weekend. Has been traditional for PM of host country to open Commonwealth Finance Ministers' Meeting and/or offer hospitality. But at last two meetings in London (1968 and 1972), PMs for various reasons were not involved. (Other exceptions Canada (1978) and Malta (1979).) Decided that as PM not expected to be in London she would not be involved. Chancellor will chair and offer hospitality.

Succession to the Crown

5. Mr Michael English MP recently introduced Private Member's Bill to open the Succession to the first-born child, whether male or female. Bill has substantial Commonwealth implications principally for the 17 Realms; subject not considered appropriate for Private Member's Bill. Bill has been down for consideration more than once in House but was not reached and, given the Government's attitude to it, is unlikely to be reached hereafter. The present provisions for Succession may necessitate a reservation by HMG when ratifying UN Convention on Discrimination against Women. Ratification, including possible reservations on this and other matters, is still under consideration by British and NZ Governments. Mr Muldoon responded to a letter addressed to him by Mr English by saying that it would not be appropriate to comment except upon approach by British Government. Informal consultation has been initiated between officials.

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

EAST/WEST RELATIONS, INCLUDING POLAND
BRIEF NO 9

POINTS TO MAKE

US/Soviet Relations

1. Welcome Reagan's 9 May speech. Gives West initiative in East/West relations and helpful with public opinion on eve of President's European visit. Despite initial Soviet press criticism of Reagan's START proposals probably to be expected, considered Soviet reaction may prove less negative.

East/West Prospects

2. Next few months particularly significant. Possible Haig/Gromyko and Reagan/Brezhnev meetings, resumption of INF negotiations and possible START talks between them, likely to determine East/West climate for remainder of Reagan's current term. If Polish situation does not deteriorate, some progress may be possible. Important that Allies give maximum support to enable Reagan to build on 9 May speech and retain political and propaganda initiative.

Poland

3. Recent demonstrations have revealed underlying resistance to regimes policies. Jaruzelski's dilemma remains: if he relaxes his grip, popular opposition will spread; but by itself martial law can provide no lasting solution to Poland's political and economic problems.

Western Policy

4. Western measures beginning to bite. Important should maintain firm and united Western line. Welcome recent relaxation of martial law but not far reaching enough to warrant any change of policy at present.

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Economic Assistance (If raised)

5. No question of providing new credits to Poland. Question of rescheduling of 1982 official debt repayments remains under review.

Polish Refugees (If raised)

6. Believe Western statements have helped deter Polish Government's attempts to force detainees to choose between imprisonment and exile. Will keep up pressure.

7. Aware of Austrian request for assistance in resettling large numbers of Poles in Austria. Will respond as sympathetically as possible. Will need to take account however in our response of other and more pressing demands on our resources including those thrown up by Falklands crisis.

WP. SD2 ABE

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

EAST/WEST RELATIONS, INCLUDING POLAND

BRIEF NO 9

ESSENTIAL FACTS

President Reagan's 9 May Speech (Extracts at Annex A)

1. On 9 May, President Reagan delivered a major speech at Eureka College, Illinois, calling for the beginning of START negotiations, if possible by the end of June. The President said American negotiators would be looking in the first phase for reductions of at least a third in the strategic nuclear arsenals of both sides, with the aim of establishing equal ceilings under which not more than half of either side's warheads could be land-based. Initial Tass commentaries are critical claiming it is permeated with 'an aggressive spirit' and condemning the President's allegations of Soviet misbehaviour (chemical weapons, involvement in conflicts in Africa, Central America, etc). Tass has also alleged that his START proposals are unfair because they call for greater sacrifices by the Russians than by the Americans, though this criticism was qualified by a general welcome for American readiness to resume negotiations on strategic weapons.

2. In the same speech the President also put forward a 5-point programme for East/West relations. The latter consisted of: military balance, economic security, regional stability, arms reduction and dialogue. The Russians are unlikely to find much that is attractive in the package, but they will be well aware that it is a well judged initiative coming on the eve of the President's visit to Europe and his attendance at the NATO Summit next month.

Summitry

3. President Reagan has made it clear that he is prepared to hold a Summit meeting with President Brezhnev later this year, as long as it is carefully prepared, has the prospect of a successful outcome, and fits into the overall context of US/Soviet relations. The likely venue and timing for such a meeting is a European neutral country (Austria, Finland, Ireland and Switzerland have all been mooted), next October. Haig and Gromyko have already met, most recently

in January this year and there is a possibility that they will meet again in June, in New York, in the margins of the UN Special Session on Disarmament.

Poland

New Zealand Attitude

4. New Zealand Government have supported Western policy towards Poland and have taken a number of political measures including the imposition of travel restrictions upon Polish diplomats. New Zealand has also agreed to take additional Polish refugees in 1982 (including 100 from Austria).

Situation In Poland

5. Mass unofficial demonstrations occurred in Warsaw and other Polish cities on 1, 3 and 4 May in support of Solidarity and in protest against martial law. 2269 people were arrested and a further 211 interned. Demonstrations followed the announcement by the Polish Government on 28 April of some relaxations to martial law including the release of 1,000 detainees. Fundamentals of martial law however remain, including detention of some 2,000 people and a number of restrictions have been reimposed following the recent disturbances. Solidarity have called for a 15 minute general strike on 13 May, exactly five months after the imposition of martial law.

Western Policy

6. Copy of statement of Heads of Government and State of Ten on Poland on 31 March at Annex B.

Economic Assistance

7. Agreement to reschedule 1981 commercial debts with the Banks signed on 6 April. Meeting of Creditor Governments not including New Zealand on 18 March agreed there should be no change in present policy to suspend credits and 1982 rescheduling negotiations "for the time being". But our present refusal to reschedule is hurting us and benefitting the Poles (who are obtaining de facto 100% relief). May

soon be necessary to reappraise decision in consultation with partners.

Polish Refugees

8. Polish Government announced on 3 March that Poles in detention would be given permission to emigrate from Poland from 15 March. This decision was criticised by the UK, US, French and Swedish Governments and subsequently condemned by European Council on 31 March (Annex B). Discussions now underway on a possible similar reference to be made in NATO Foreign Ministers Communique on 17/18 May.

WP. SD2 ABG



Amex A

EXCERPTS

PRESIDENT REAGAN'S COMMENCEMENT ADDRESS

EUREKA COLLEGE, ILLINOIS
May 9, 1982

GRADUATION DAY IS CALLED "COMMENCEMENT" AND PROPERLY SO BECAUSE IT IS BOTH A RECOGNITION OF COMPLETION AND OF BEGINNING. I WOULD LIKE TO TALK WITH YOU ABOUT THIS NEW PHASE; THE SOCIETY IN WHICH YOU ARE NOW GOING TO TAKE YOUR PLACE AS FULL-TIME PARTICIPANTS. YOU ARE NO LONGER OBSERVERS, YOU WILL BE CALLED UPON TO MAKE DECISIONS AND EXPRESS YOUR VIEWS ON GLOBAL EVENTS BECAUSE THOSE EVENTS WILL AFFECT YOUR LIFE.

I'VE SPOKEN OF SIMILARITIES, AND THE 1930'S LIKE THE 1930'S MAY BE ONE OF THOSE, A CRUCIAL JUNCTURE IN HISTORY THAT WILL DETERMINE THE DIRECTION OF THE FUTURE.

IN ABOUT A MONTH I WILL MEET IN EUROPE WITH THE LEADERS OF NATIONS WHO ARE OUR CLOSEST FRIENDS AND ALLIES. AT VERSAILLES, LEADERS OF THE INDUSTRIAL POWERS OF THE WORLD WILL SEEK BETTER WAYS TO MEET TODAY'S ECONOMIC CHALLENGES. IN BONN I WILL JOIN MY COLLEAGUES FROM THE ATLANTIC ALLIANCE NATIONS TO RENEW THOSE TIES WHICH HAVE BEEN THE FOUNDATION OF WESTERN, FREE-WORLD DEFENSE FOR 37 YEARS. THERE WILL ALSO BE MEETINGS IN ROME AND LONDON.

THESE MEETINGS ARE SIGNIFICANT FOR A SIMPLE YET IMPORTANT REASON. OUR OWN NATION'S FATE IS DIRECTLY LINKED TO THAT OF OUR SISTER DEMOCRACIES IN WESTERN EUROPE. THE VALUES FOR WHICH AMERICAN AND ALL DEMOCRATIC NATIONS STAND REPRESENT THE CULMINATION OF WESTERN CULTURE. ANDREI SAKHAROV, THE DISTINGUISHED NOBEL LAUREATE AND COURAGEOUS SOVIET HUMAN RIGHTS ADVOCATE, HAS WRITTEN IN A MESSAGE SMUGGLED TO FREEDOM, "...I BELIEVE IN WESTERN MAN, I HAVE FAITH IN HIS MIND, WHICH IS PRACTICAL AND EFFICIENT AND AT THE SAME TIME ASPIRES TO GREAT GOALS. I HAVE FAITH IN HIS GOOD INTENTIONS AND HIS DECISIVENESS."

THIS GLORIOUS TRADITION REQUIRES A PARTNERSHIP TO PRESERVE AND PROTECT IT. ONLY AS PARTNERS CAN WE HOPE TO ACHIEVE THE GOAL OF A PEACEFUL COMMUNITY OF NATIONS. ONLY AS PARTNERS CAN WE DEFEND THE VALUES OF DEMOCRACY AND HUMAN DIGNITY WE HOLD SO DEAR.

THERE IS A SINGLE, MAJOR ISSUE IN OUR PARTNERSHIP WHICH WILL UNDERLIE THE DISCUSSIONS THAT I WILL HAVE WITH EUROPEAN LEADERS: THE FUTURE OF WESTERN RELATIONS WITH THE SOVIET UNION. HOW SHOULD WE DEAL WITH THE SOVIET UNION IN THE YEARS AHEAD? WHAT FRAMEWORK SHOULD GUIDE OUR CONDUCT AND POLICIES TOWARD IT? WHAT CAN WE REALISTICALLY EXPECT FROM A WORLD POWER OF SUCH DEEP FEARS, HOSTILITIES, AND EXTERNAL AMBITIONS?

I BELIEVE THE UNITY OF THE WEST IS THE FOUNDATION FOR ANY SUCCESSFUL RELATIONSHIP WITH THE EAST. WITHOUT WESTERN UNITY, WE WILL SQUANDER OUR ENERGIES IN BICKERING WHILE THE SOVIETS CONTINUE AS THEY PLEASE. WITH UNITY, WE HAVE THE STRENGTH TO MODERATE SOVIET BEHAVIOR. WE HAVE DONE SO IN THE PAST AND WE CAN DO SO AGAIN.

OUR CHALLENGE IS TO ESTABLISH A FRAMEWORK IN WHICH SOUND EAST-WEST RELATIONS WILL ENDURE. I AM OPTIMISTIC WE CAN BUILD A MORE CONSTRUCTIVE RELATIONSHIP WITH THE SOVIET UNION. TO DO SO, HOWEVER, WE MUST UNDERSTAND THE NATURE OF THE SOVIET SYSTEM AND THE LESSONS OF THE PAST.

THE SOVIET UNION IS A HUGE EMPIRE RULED BY AN ELITE THAT HOLDS ALL POWER AND ALL PRIVILEGE. THEY HOLD IT TIGHTLY BECAUSE -- AS WE HAVE SEEN IN POLAND -- THEY FEAR WHAT MIGHT HAPPEN IF EVEN THE SMALLEST AMOUNT OF CONTROL SLIPS FROM THEIR GRASP. THEY FEAR THE INFECTIOUSNESS OF EVEN A LITTLE FREEDOM AND BECAUSE OF THIS IN MANY WAYS THEIR SYSTEM HAS FAILED. THE SOVIET EMPIRE IS FALTERING BECAUSE RIGID, CENTRALIZED CONTROL HAS DESTROYED INCENTIVES FOR INNOVATION, EFFICIENCY AND INDIVIDUAL ACHIEVEMENT. SPIRITUALLY, THERE IS A SENSE OF MALAISE AND RESENTMENT.

BUT IN THE MIDST OF SOCIAL AND ECONOMIC PROBLEMS, THE SOVIET DICTATORSHIP HAS FORGED THE LARGEST ARMED FORCE IN THE WORLD. IT HAS DONE SO BY PREEMPTING THE HUMAN NEEDS OF ITS PEOPLE, AND, IN THE END, THIS COURSE WILL UNDERMINE THE FOUNDATIONS OF THE SOVIET SYSTEM. HARRY TRUMAN WAS RIGHT WHEN HE SAID OF THE SOVIETS THAT, "WHEN YOU TRY TO CONQUER OTHER PEOPLE OR EXTEND YOURSELF OVER VAST AREAS YOU CANNOT WIN IN THE LONG RUN..."

YET SOVIET AGGRESSIVENESS HAS GROWN AS SOVIET MILITARY POWER HAS INCREASED. TO COMPENSATE, WE MUST LEARN FROM THE LESSONS OF THE PAST. WHEN THE WEST HAS STOOD FIRM AND UNIFIED, THE SOVIET UNION HAS TAKEN HEED. FOR 35 YEARS WESTERN EUROPE HAS LIVED FREE DESPITE THE SHADOW OF SOVIET MILITARY MIGHT. THROUGH UNITY, YOU WILL REMEMBER FROM YOUR MODERN HISTORY COURSES, THE WEST SECURED THE WITHDRAWAL OF OCCUPATION FORCES FROM AUSTRIA AND THE RECOGNITION OF ITS RIGHTS IN BERLIN.

OTHER WESTERN POLICIES HAVE NOT BEEN SUCCESSFUL. EAST-WEST TRADE WAS EXPANDED IN THE HOPE OF PROVIDING INCENTIVES FOR SOVIET RESTRAINT, BUT THE SOVIETS EXPLOITED THE BENEFITS OF TRADE WITHOUT MODERATING THEIR BEHAVIOR. DESPITE A DECADE OF AMBITIOUS ARMS CONTROL EFFORTS, THE SOVIET BUILDUP CONTINUES. AND DESPITE ITS SIGNATURE OF THE

HELSINKI AGREEMENTS ON HUMAN RIGHTS, THE SOVIET UNION HAS NOT RELAXED ITS HOLD ON ITS OWN PEOPLE OR THOSE OF EASTERN EUROPE.

DURING THE 1970'S SOME OF US FORGOT THE WARNING OF PRESIDENT KENNEDY WHO SAID THAT THE SOVIETS "HAVE OFFERED TO TRADE US AN APPLE FOR AN ORCHARD. WE DON'T DO THAT IN THIS COUNTRY." WELL, WE CAME PERILOUSLY CLOSE TO DOING JUST THAT.

IF EAST-WEST RELATIONS IN THE DETENTE ERA IN EUROPE HAVE YIELDED DISAPPOINTMENT, DETENTE OUTSIDE OF EUROPE HAS YIELDED A SEVERE DISILLUSIONMENT FOR THOSE WHO EXPECTED A MODERATION OF SOVIET BEHAVIOR. THE SOVIET UNION CONTINUES TO SUPPORT VIETNAM IN ITS OCCUPATION OF KAMPUCHEA AND ITS MASSIVE MILITARY PRESENCE IN LAOS. IT IS ENGAGED IN A WAR OF AGGRESSION AGAINST AFGHANISTAN. SOVIET PROXY FORCES HAVE BROUGHT INSTABILITY AND CONFLICT TO AFRICA AND CENTRAL AMERICA.

WE ARE NOW APPROACHING AN EXTREMELY IMPORTANT PHASE IN EAST-WEST RELATIONS AS THE CURRENT SOVIET LEADERSHIP IS SUCCEEDED BY A NEW GENERATION. BOTH THE CURRENT AND THE NEW SOVIET LEADERSHIP SHOULD REALIZE AGGRESSIVE POLICIES WILL MEET A FIRM WESTERN RESPONSE. ON THE OTHER HAND, A SOVIET LEADERSHIP DEVOTED TO IMPROVING ITS PEOPLE'S LIVES, RATHER THAN EXPANDING ITS ARMED CONQUESTS, WILL FIND A SYMPATHETIC PARTNER IN THE WEST. THE WEST WILL RESPOND WITH EXPANDED TRADE AND OTHER FORMS OF COOPERATION. BUT ALL THIS DEPENDS ON SOVIET ACTIONS. STANDING IN THE ATHENIAN MARKETPLACE 2,000 YEARS AGO, DEMOSTHENES SAID: "WHAT SANE MAN WOULD LET ANOTHER MAN'S WORDS RATHER THAN HIS DEEDS PROCLAIM WHO IS AT PEACE AND WHO IS AT WAR WITH HIM?"

PEACE IS NOT THE ABSENCE OF CONFLICT, BUT THE ABILITY TO COPE WITH CONFLICT BY PEACEFUL MEANS. I BELIEVE WE CAN COPE. I BELIEVE THAT THE WEST CAN FASHION A REALISTIC, DURABLE POLICY THAT WILL PROTECT OUR INTERESTS AND KEEP THE PEACE, NOT JUST FOR THIS GENERATION, BUT FOR YOUR CHILDREN AND GRANDCHILDREN.

I BELIEVE SUCH A POLICY CONSISTS OF FIVE POINTS: MILITARY BALANCE, ECONOMIC SECURITY, REGIONAL STABILITY, ARMS REDUCTIONS, AND DIALOGUE. THESE ARE THE MEANS BY WHICH WE CAN SEEK PEACE WITH THE SOVIET UNION IN THE YEARS AHEAD. TODAY, I WANT TO SET OUT THIS FIVE-POINT PROGRAM TO GUIDE THE FUTURE OF EAST-WEST RELATIONS.

FIRST, A SOUND EAST-WEST MILITARY BALANCE IS ABSOLUTELY ESSENTIAL. LAST WEEK NATO PUBLISHED A COMPREHENSIVE COMPARISON OF ITS FORCES WITH THOSE OF THE WARSAW PACT. ITS MESSAGE IS CLEAR: DURING THE PAST DECADE, THE SOVIET UNION HAS BUILT UP ITS FORCES ACROSS THE BOARD. DURING THAT SAME PERIOD THE DEFENSE EXPENDITURES OF THE UNITED STATES DECLINED IN REAL TERMS. THE U.S. HAS ALREADY UNDERTAKEN STEPS TO RECOVER FROM THAT DECADE OF NEGLECT. AND I SHOULD ADD THAT THE EXPENDITURES OF OUR EUROPEAN ALLIES HAVE INCREASED SLOWLY BUT STEADILY, SOMETHING WE OFTEN FAIL TO RECOGNIZE HERE AT HOME.

THE SECOND POINT ON WHICH WE MUST REACH CONSENSUS WITH OUR ALLIES DEALS WITH ECONOMIC SECURITY. CONSULTATIONS ARE UNDERWAY AMONG WESTERN NATIONS ON THE TRANSFER OF MILITARILY SIGNIFICANT TECHNOLOGY AND THE EXTENSION OF FINANCIAL CREDITS

TO THE EAST, AS WELL AS ON THE QUESTION OF ENERGY DEPENDENCE ON THE EAST. WE RECOGNIZE THAT SOME OF OUR ALLIES' ECONOMIC REQUIREMENTS ARE DISTINCT FROM OUR OWN. BUT THE SOVIETS MUST NOT HAVE ACCESS TO WESTERN TECHNOLOGY WITH MILITARY APPLICATIONS, AND WE MUST NOT SUBSIDIZE THE SOVIET ECONOMY. THE SOVIET UNION MUST MAKE THE DIFFICULT CHOICES BROUGHT ON BY ITS MILITARY BUDGETS AND ECONOMIC SHORTCOMINGS.

THE THIRD ELEMENT IS REGIONAL STABILITY WITH PEACEFUL CHANGE. LAST YEAR IN A SPEECH IN PHILADELPHIA AND IN THE SUMMIT MEETINGS IN CANCUN, I OUTLINED THE BASIC AMERICAN PLAN TO ASSIST THE DEVELOPING WORLD. THESE PRINCIPLES FOR ECONOMIC DEVELOPMENT REMAIN THE FOUNDATION OF OUR APPROACH. THEY REPRESENT NO THREAT TO THE SOVIET UNION. YET IN MANY AREAS OF THE DEVELOPING WORLD WE FIND THAT SOVIET ARMS AND SOVIET-SUPPORTED TROOPS ARE ATTEMPTING TO DESTABILIZE SOCIETIES AND EXTEND MOSCOW'S INFLUENCE.

HIGH ON OUR AGENDA MUST BE PROGRESS TOWARD PEACE IN AFGHANISTAN. THE UNITED STATES IS PREPARED TO ENGAGE IN A SERIOUS EFFORT TO NEGOTIATE AN END TO THE CONFLICT CAUSED BY THE SOVIET INVASION OF THAT COUNTRY. WE ARE READY TO COOPERATE IN AN INTERNATIONAL EFFORT TO RESOLVE THIS PROBLEM, TO SECURE A FULL SOVIET WITHDRAWAL FROM AFGHANISTAN, AND TO ENSURE SELF-DETERMINATION FOR THE AFGHAN PEOPLE.

IN SOUTHERN AFRICA, WORKING CLOSELY WITH OUR WESTERN ALLIES AND THE AFRICAN STATES, WE HAVE MADE REAL PROGRESS TOWARD INDEPENDENCE FROM NAMIBIA. THESE NEGOTIATIONS, IF SUCCESSFUL, WILL RESULT IN PEACEFUL AND SECURE CONDITIONS THROUGHOUT SOUTHERN AFRICA. THE SIMULTANEOUS WITHDRAWAL OF CUBAN FORCES FROM ANGOLA IS ESSENTIAL TO ACHIEVING NAMIBIAN INDEPENDENCE, AS WELL AS CREATING LONG-RANGE PROSPECTS FOR PEACE IN THE REGION.

CENTRAL AMERICA ALSO HAS BECOME A DANGEROUS POINT OF TENSION IN EAST-WEST RELATIONS. THE SOVIET UNION CANNOT ESCAPE RESPONSIBILITY FOR THE VIOLENCE AND SUFFERING IN THE REGION CAUSED BY ITS SUPPORT FOR CUBAN ACTIVITIES IN CENTRAL AMERICA, AND ITS ACCELERATED TRANSFER OF ADVANCED MILITARY EQUIPMENT TO CUBA.

HOWEVER, IT WAS IN EASTERN EUROPE THAT THE HOPES OF THE 1970'S WERE GREATEST, AND IT IS THERE THAT THEY HAVE BEEN MOST BITTERLY DISAPPOINTED. THERE WAS HOPE THAT THE PEOPLE OF POLAND COULD DEVELOP A FREER SOCIETY. BUT THE SOVIET UNION HAS REFUSED TO ALLOW THE PEOPLE OF POLAND TO DECIDE THEIR OWN FATE, JUST AS IT REFUSED TO ALLOW THE PEOPLE OF HUNGARY TO DECIDE THEIRS IN 1956, OR THE PEOPLE OF CZECHOSLOVAKIA IN 1968.

IF MARTIAL LAW IN POLAND IS LIFTED; IF ALL THE POLITICAL PRISONERS ARE RELEASED, AND IF A DIALOGUE IS RESTORED WITH SOLIDARITY UNION, THE UNITED STATES IS PREPARED TO JOIN IN A PROGRAM OF ECONOMIC SUPPORT. WATER CANNONS AND CLUBS AGAINST THE POLISH PEOPLE ARE HARDLY THE KIND OF DIALOGUE THAT GIVES US HOPES. IT IS UP TO THE SOVIETS AND THEIR CLIENT REGIMES TO SHOW GOOD FAITH BY CONCRETE ACTIONS.

THE FOURTH POINT IS ARMS REDUCTIONS. I KNOW THAT THIS WEIGHS HEAVILY ON MANY OF YOUR MINDS. IN OUR 1931 PRISM, WE QUOTED CARL SANDBURG, WHO IN HIS OWN BEAUTIFUL WAY QUOTED THE MOTHER PRAIRIE, SAYING, "HAVE YOU SEEN A RED SUN-SET DRIP OVER ONE OF MY CORNFIELDS, THE SHORE OF NIGHT STARS, THE WAVE LINES OF DAWN UP A WHEAT VALLEY?" WHAT AN IDYLIC SCENE THAT PAINTS IN OUR MINDS -- AND WHAT A NIGHT-MARISH

PROSPECT THAT A HUGE MUSHROOM CLOUD MIGHT SOMEDAY DESTROY SUCH BEAUTY. MY DUTY AS PRESIDENT IS TO ENSURE THAT THE ULTIMATE NIGHTMARE NEVER OCCURS, THAT THE PRAIRIES AND THE CITIES AND THE PEOPLE WHO INHABIT THEM REMAIN FREE AND UNTOUCHED BY NUCLEAR CONFLICT.

I WISH MORE THAN ANYTHING THERE WERE A SIMPLE POLICY THAT WOULD ELIMINATE THE NUCLEAR DANGER. BUT THERE ARE ONLY DIFFICULT POLICY CHOICES THROUGH WHICH WE CAN ACHIEVE A STABLE NUCLEAR BALANCE AT THE LOWEST POSSIBLE LEVEL.

I DO NOT DOUBT THAT THE SOVIET PEOPLE, AND, YES, THE SOVIET LEADERS HAVE AN OVERRIDING INTEREST IN PREVENTING THE USE OF NUCLEAR WEAPONS. THE SOVIET UNION WITHIN THE MEMORY OF ITS LEADERS HAS KNOWN THE DEVASTATION OF TOTAL CONVENTIONAL WAR, AND KNOWS THAT NUCLEAR WAR WOULD BE EVEN MORE CALAMITOUS. YET, SO FAR, THE SOVIET UNION HAS USED ARMS CONTROL NEGOTIATIONS PRIMARILY AS AN INSTRUMENT TO RESTRICT U.S. DEFENSE PROGRAMS AND, IN CONJUNCTION WITH THEIR OWN ARMS BUILDUP, A MEANS TO ENHANCE SOVIET POWER AND PRESTIGE.

UNFORTUNATELY, FOR SOME TIME SUSPICIONS HAVE GROWN THAT THE SOVIET UNION HAS NOT BEEN LIVING UP TO ITS OBLIGATIONS UNDER EXISTING ARMS CONTROL TREATIES. THERE IS CONCLUSIVE EVIDENCE THE SOVIET UNION HAS PROVIDED TOXINS TO THE LAOTIANS AND VIETNAMESE FOR USE AGAINST DEFENSELESS VILLAGERS IN SOUTHEAST ASIA. AND THE SOVIETS THEMSELVES ARE EMPLOYING CHEMICAL WEAPONS ON THE FREEDOM FIGHTERS IN AFGHANISTAN.

WE MUST ESTABLISH FIRM CRITERIA FOR ARMS CONTROL IN THE 1980'S. IF WE ARE TO SECURE GENUINE AND LASTING RESTRAINT ON SOVIET MILITARY PROGRAMS THROUGH ARMS CONTROL, WE MUST SEEK AGREEMENTS WHICH ARE VERIFIABLE, EQUITABLE, AND MILITARILY SIGNIFICANT. AGREEMENTS THAT PROVIDE ONLY THE APPEARANCE OF ARMS CONTROL BREED DANGEROUS ILLUSIONS.

LAST NOVEMBER I COMMITTED THE UNITED STATES TO SEEK SIGNIFICANT REDUCTIONS ON NUCLEAR AND CONVENTIONAL FORCES.

IN GENEVA, WE HAVE SINCE PROPOSED LIMITS ON U.S. AND SOVIET INTERMEDIATE RANGE MISSILES, INCLUDING THE COMPLETE ELIMINATION OF THE MOST THREATENING SYSTEMS ON BOTH SIDES. IN VIENNA, WE ARE NEGOTIATING, TOGETHER WITH OUR ALLIES, FOR REDUCTIONS OF CONVENTIONAL FORCES IN EUROPE.

IN THE 40-NATION COMMITTEE ON DISARMAMENT, THE UNITED STATES SEEKS A TOTAL BAN ON ALL CHEMICAL WEAPONS.

SINCE THE FIRST DAYS OF MY ADMINISTRATION, WE HAVE BEEN WORKING ON OUR APPROACH TO THE CRUCIAL ISSUE OF STRATEGIC ARMS CONTROL NEGOTIATIONS WITH THE SOVIET UNION.

THE STUDY AND ANALYSIS REQUIRED HAS BEEN COMPLEX AND DIFFICULT. IT HAD TO BE UNDERTAKEN DELIBERATELY, THOROUGHLY AND CORRECTLY.

WE HAVE LAID A SOLID BASIS FOR THESE NEGOTIATIONS, WE ARE CONSULTING WITH CONGRESSIONAL LEADERS AND WITH OUR ALLIES, AND WE ARE NOW READY TO PROCEED.

THE MAIN THREAT TO PEACE POSED BY NUCLEAR WEAPONS TODAY IS THE GROWING INSTABILITY OF THE NUCLEAR BALANCE. THIS IS DUE TO THE INCREASINGLY DESTRUCTIVE POTENTIAL OF THE MASSIVE SOVIET BUILDUP IN ITS BALLISTIC MISSILE FORCE.

THEREFORE, OUR GOAL IS TO ENHANCE DETERRENCE AND ACHIEVE STABILITY THROUGH SIGNIFICANT REDUCTIONS IN THE MOST DESTABILIZING NUCLEAR SYSTEMS, BALLISTIC MISSILES, AND ESPECIALLY INTERCONTINENTAL BALLISTIC MISSILES, WHILE MAINTAINING A NUCLEAR CAPABILITY SUFFICIENT TO DETER CONFLICT, UNDERWRITE OUR NATIONAL SECURITY AND MEET OUR COMMITMENT TO ALLIES AND FRIENDS.

FOR THE IMMEDIATE FUTURE, I AM ASKING MY START NEGOTIATING TEAM TO PROPOSE TO THEIR SOVIET COUNTERPARTS A PRACTICAL, PHASED REDUCTION PLAN. THE FOCUS OF OUR EFFORTS WILL BE TO REDUCE SIGNIFICANTLY THE MOST DESTABILIZING SYSTEMS -- BALLISTIC MISSILES -- THE NUMBER OF WARHEADS THEY CARRY, AND THEIR OVERALL DESTRUCTIVE POTENTIAL.

AT THE END OF THE FIRST PHASE OF THE START REDUCTIONS, I EXPECT BALLISTIC MISSILE WARHEADS -- THE MOST SERIOUS THREAT WE FACE -- TO BE REDUCED TO EQUAL CEILINGS AT LEAST A THIRD BELOW CURRENT LEVELS. TO ENHANCE STABILITY, I WOULD ASK THAT NO MORE THAN HALF OF THOSE WARHEADS BE LAND-BASED. I HOPE THAT THESE WARHEAD REDUCTIONS, AS WELL AS SIGNIFICANT REDUCTIONS IN MISSILES THEMSELVES, COULD BE ACHIEVED AS RAPIDLY AS POSSIBLE.

IN A SECOND PHASE, WE WILL SEEK TO ACHIEVE AN EQUAL CEILING ON OTHER ELEMENTS OF OUR STRATEGIC NUCLEAR FORCES, INCLUDING LIMITS ON BALLISTIC MISSILE THROW-WEIGHT AT LESS THAN CURRENT AMERICAN LEVELS. IN BOTH PHASES, WE SHALL INSIST ON VERIFICATION PROCEDURES TO INSURE COMPLIANCE WITH THE AGREEMENT.

THE MONUMENTAL TASK OF REDUCING AND RESHAPING OUR STRATEGIC FORCES TO ENHANCE STABILITY WILL TAKE MANY YEARS OF CONCENTRATED EFFORT. BUT I BELIEVE THAT IT WILL BE POSSIBLE TO REDUCE THE RISKS OF WAR BY REMOVING THE INSTABILITIES THAT NOW EXIST AND BY DISMANTLING THE NUCLEAR MENACE.

I HAVE WRITTEN TO PRESIDENT BREZHNEV AND DIRECTED SECRETARY HAIG TO APPROACH THE SOVIET GOVERNMENT CONCERNING THE INITIATION OF FORMAL NEGOTIATIONS ON THE REDUCTION OF STRATEGIC NUCLEAR ARMS -- START -- AT THE EARLIEST OPPORTUNITY. WE HOPE NEGOTIATIONS WILL BEGIN BY THE END OF JUNE.

WE WILL NEGOTIATE SERIOUSLY, IN GOOD FAITH, AND CAREFULLY CONSIDER ALL PROPOSALS MADE BY THE SOVIET UNION. IF THEY APPROACH THESE NEGOTIATIONS IN THE SAME SPIRIT, I AM CONFIDENT THAT TOGETHER WE CAN ACHIEVE AN AGREEMENT OF ENDURING VALUE THAT REDUCES THE NUMBER OF NUCLEAR WEAPONS, HALTS THE GROWTH IN STRATEGIC FORCES, AND OPENS THE WAY TO EVEN MORE FAR-REACHING STEPS IN THE FUTURE.

I HOPE THE COMMENCEMENT TODAY WILL ALSO MARK THE COMMENCEMENT OF A NEW ERA -- IN BOTH SENSES OF THE WORD A NEW START -- TOWARD A MORE PEACEFUL, MORE SECURE WORLD.

THE FIFTH AND FINAL POINT I PROPOSE FOR EAST-WEST RELATIONS IS DIALOGUE. I HAVE ALWAYS BELIEVED THAT PROBLEMS CAN BE SOLVED WHEN PEOPLE TALK TO EACH OTHER INSTEAD OF ABOUT EACH OTHER. I HAVE ALREADY EXPRESSED MY OWN DESIRE TO MEET WITH PRESIDENT BREZHNEV IN NEW YORK NEXT MONTH. IF THIS CANNOT BE DONE, I WOULD HOPE WE COULD ARRANGE A FUTURE MEETING WHERE POSITIVE RESULTS CAN BE ANTICIPATED. AND WHEN WE SIT DOWN, I WILL TELL PRESIDENT BREZHNEV THAT THE UNITED STATES IS READY TO BUILD A NEW UNDERSTANDING BASED UPON THE PRINCIPLES I HAVE OUTLINED TODAY. I WILL TELL HIM THAT HIS GOVERNMENT AND HIS PEOPLE HAVE NOTHING

TO FEAR FROM THE UNITED STATES. THE FREE NATIONS LIVING AT PEACE IN THE WORLD COMMUNITY CAN VOUCH FOR THE FACT THAT WE SEEK ONLY HARMONY. AND I WILL ASK PRESIDENT BREZHNEV WHY OUR TWO NATIONS CANNOT PRACTICE MUTUAL RESTRAINT. WHY CAN'T OUR PEOPLES ENJOY THE BENEFITS THAT WOULD FLOW FROM REAL COOPERATION? WHY CAN'T WE REDUCE THE NUMBER OF HORRENDOUS WEAPONS?

PERHAPS I SHOULD ALSO SPEAK TO HIM OF THIS SCHOOL AND THE YOUNG GRADUATES WHO ARE LEAVING IT TODAY -- OF YOUR HOPES FOR THE FUTUR, OF YOUR DEEP DESIRE FOR PEACE, AND YET YOUR STRONG COMMITMENT TO DEFEND YOUR VALUES IF THREATENED. PERHAPS IF HE COULD SOMEDAY ATTEND SUCH A CEREMONY AS THIS, HE WOULD BETTER UNDERSTAND AMERICA. IN THE ONLY SYSTEM HE KNOWS, YOU WOULD BE HERE BY THE DECISION OF GOVERNMENT AND ON THIS DAY THE GOVERNMENT WOULD BE REPRESENTED HERE TELLING MANY OF YOU WHERE YOU WERE GOING TO WORK AFTER YOUR GRADUATION.

BUT AS WE GO TO EUROPE FOR THE TALKS AND AS WE PROCEED ON THE IMPORTANT CHALLENGES FACING THIS COUNTRY, I WANT YOU TO KNOW I WILL BE THINKING OF YOU, AND EUREKA AND WHAT YOU REPRESENT. IN ONE OF MY YEARBOOKS I REMEMBER READING THAT, "THE WORK OF THE PRAIRIE IS TO BE THE SOIL FOR THE GROWTH OF A STRONG WESTERN CULTURE." I BELIEVE EUREKA IS FULFILLING THAT WORK. YOU, THE MEMBERS OF THE 1982 GRADUATING CLASS, ARE THIS YEAR'S HARVEST.

EUREKA IS AN INSTITUTION AND YOU AS INDIVIDUALS ARE SUSTAINING THE BEST OF WESTERN MAN'S IDEALS. AS A FELLOW GRADUATE AND IN THE OFFICE I HOLD, I WILL DO MY BEST TO UPHOLD THESE SAME IDEALS.

OFFICIAL TEXT

May 10, 1982

INTERNATIONAL COMMUNICATION AGENCY, U.S. EMBASSY, 55/56 UPPER BROOK STREET, LONDON W1A 2LH

TEXT: BURT TESTIMONY ON CHEMICAL WARFARE

WASHINGTON -- THE UNITED STATES AND ITS ALLIES ARE PRESSING FOR PROGRESS TOWARD A COMPLETE BAN ON THE PRODUCTION AND STOCKPILING OF CHEMICAL WEAPONS, SAYS RICHARD BURT, DIRECTOR OF POLITICAL-MILITARY AFFAIRS AT THE STATE DEPARTMENT.

IN TESTIMONY MAY 6 BEFORE THE SENATE APPROPRIATIONS COMMITTEE, BURT ALSO MADE THESE POINTS:

-- THE PRINCIPAL PROBLEM IN ACHIEVING SUCH A BAN IS ONE OF VERIFICATION ISSUES WITH THE SOVIET UNION.

-- AN EFFECTIVE CHEMICAL WARFARE RETALIATORY CAPABILITY IS AN ESSENTIAL PART OF THE U.S. AND NATO DETERRENT TO POTENTIAL SOVIET USE OF SUCH WEAPONS.

-- U.S. CHEMICAL WEAPONS WILL NEVER BE USED EXCEPT IN RESPONSE TO SUCH A CHEMICAL ATTACK.

-- THERE HAS BEEN NO DECISION ON FORWARD DEPLOYMENT OF BINARY CHEMICAL WEAPONS AND NONE IS NOW UNDER CONSIDERATION.

FOLLOWING IS THE TEXT OF THE BURT TESTIMONY:

MODERNIZATION OF AMERICA'S CHEMICAL WEAPONS CAPABILITY IS A DIFFICULT AND IMPORTANT DECISION WHICH THE UNITED STATES HAS UNDERTAKEN ONLY RELUCTANTLY AND AFTER LONG AND PAINSTAKING EXAMINATION.

THE NATO ALLIANCE RELIES ON A DETERRENT STRATEGY. THIS STRATEGY IS DESIGNED TO PREVENT WAR BY INSURING THAT ANY POTENTIAL AGGRESSOR MUST RECOGNIZE THAT HE CANNOT SECURE AN ADVANTAGE THROUGH THE INITIATION OF CONFLICT AT ANY LEVEL. IMPLEMENTATION OF THIS STRATEGY REQUIRES THE ALLIANCE TO MAINTAIN A CONTINUUM OF FORCES, RUNNING FROM CONVENTIONAL SMALL ARMS THROUGH STRATEGIC NUCLEAR WEAPONS.

NATO HAS LONG RECOGNIZED THAT AN ESSENTIAL PART OF THIS CONTINUUM OF DETERRENCE IS AN EFFECTIVE CHEMICAL WARFARE RETALIATORY CAPABILITY. THE CAPABILITY WHICH THE U.S. HAS MAINTAINED IN THIS FIELD IS EXPLICITLY DESIGNED TO DETER CHEMICAL WARFARE AGAINST THE UNITED STATES OR ITS ALLIES. U.S. CHEMICAL WEAPONS WILL NEVER BE USED EXCEPT IN RESPONSE TO SUCH A CHEMICAL ATTACK.

THE REQUIREMENTS OF DETERRENCE ALSO UNDERLIE U.S. DEFENSE POSTURE OUTSIDE EUROPE. THIS SAME RETALIATORY CHEMICAL

WEAPONS CAPABILITY WILL ENABLE THE UNITED STATES TO DETER THE USE OF CHEMICAL WEAPONS AGAINST OUR ALLIES IN OTHER AREAS.

THE UNITED STATES HAS KEPT ITS ALLIES FULLY INFORMED OF ITS DECISIONS OVER THE PAST SEVERAL YEARS TO BEGIN MODERNIZATION OF ITS CHEMICAL WARFARE CAPABILITIES. LAST YEAR WE INFORMED THEM OF THE ADMINISTRATION'S DECISION TO SEEK FUNDING FOR THE FACILITY IN PINE BLUFF. THIS YEAR, WE INFORMED THEM OF OUR DECISION TO SEEK FUNDING FOR PRODUCTION. NO ALLIED GOVERNMENT HAS EXPRESSED OPPOSITION TO THESE STEPS.

WE HAVE INFORMED OUR ALLIES, AS WE HAVE INFORMED THE CONGRESS, THAT THERE HAS BEEN NO DECISION ON FORWARD DEPLOYMENT OF BINARY CHEMICAL WEAPONS AND NONE IS NOW UNDER CONSIDERATION. GIVEN THE FACT THAT IT WILL BE SEVERAL YEARS BEFORE PRODUCTION BEGINS AND STOCKPILES ARE ACCUMULATED, NO SUCH CONSIDERATION IS LIKELY FOR SOME TIME TO COME. WE HAVE, HOWEVER, PROMISED TO CONSULT FULLY WITH ANY ALLIES CONCERNED BEFORE ANY DEPLOYMENT DECISIONS WERE MADE.

WE HAVE NOT FELT IT NECESSARY, DESIRABLE, OR APPROPRIATE TO POSE TO ALLIES HYPOTHETICAL QUESTIONS ABOUT HOW THEY MIGHT REACT TO THE POSSIBILITY OF FORWARD DEPLOYMENT. NO GOVERNMENT WISHES TO FORMULATE POLICY ON ISSUES WHICH REQUIRE NO CURRENT DECISION. IN ANY CASE, UNDER THE DEMOCRATIC SYSTEMS OF US AND OUR ALLIES, NO CURRENT WESTERN GOVERNMENT COULD OR WOULD WISH TO BIND ITS SUCCESSORS ON SUCH AN ISSUE.

OUR ALLIES, LIKE OURSELVES, ARE COMMITTED TO SEEKING THROUGH ARMS CONTROL A COMPLETE BAN ON THE PRODUCTION AND STOCKPILING OF CHEMICAL WEAPONS. THEY HAVE EXPRESSED THIS COMMITMENT TO US. WITH US, THEY ARE PRESSING FOR PROGRESS TOWARDS SUCH AN AGREEMENT IN THE COMMITTEE ON DISARMAMENT IN GENEVA. THEY AGREE WITH US THAT THE PRINCIPAL HURDLE TO BE OVERCOME IN CONCLUDING SUCH A BAN IS THAT OF VERIFICATION, AND THE NEED TO EFFECTIVELY ASSURE COMPLIANCE WITH A CHEMICAL WEAPONS PROHIBITION.

TO DATE, DESPITE SEVERAL YEARS OF BILATERAL AND MULTILATERAL DISCUSSIONS, THE SOVIET UNION HAS PROVED UNWILLING TO CONSIDER SERIOUSLY, LET ALONE ACCEPT THE SORT OF VERIFICATION PROVISIONS WHICH WE, OUR ALLIES, AND OTHER MEMBERS OF THE INTERNATIONAL COMMUNITY BELIEVE TO BE ESSENTIAL. THIS IS A TECHNICALLY COMPLEX AREA, AND RAPID PROGRESS WILL BE DIFFICULT. HOWEVER, WE BELIEVE THE ABSENCE OF THE U.S. MODERNIZATION PROGRAM WILL REDUCE THE SOVIET UNION'S INCENTIVES TO MOVE IN THIS CRITICAL AREA, THUS MAKING AN EFFECTIVE BAN ON CHEMICAL WEAPONS MORE DIFFICULT STILL.

Prime Minister Janner and Mr M [redacted] Annex B:
19 May

II. EAST-WEST RELATIONS.

(a) The Heads of State and of Government noted that the situation in Poland continued to place a strain on East-West relations, and thus to affect the relations of the Ten with Poland and the U.S.S.R., which bore a clear responsibility in this situation.

The Ten recalled their earlier statements on the grave consequences of the present situation in Poland for security and cooperation in Europe, and for East-West relations as a whole. They renewed their call to the Polish authorities with the minimum delay to end the state of martial law, release those arrested and resume a genuine dialogue with the Church and Solidarity.

The Ten also noted with concern the recent statements of the Polish authorities on the possibility of the departure of detainees from the country. The Ten rejected any attempt to place pressure on those concerned. They would interpret such a policy as a further deterioration of the situation in Poland, and a grave breach of fundamental human rights.

(The Greek delegation has reserved its position on the section of the first sentence which indicates that the Polish situation affects the relations of the Ten with the U.S.S.R.)

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

MFO/NEW ZEALAND PARTICIPATION

BRIEF NO 10

POINT TO MAKE

1. Glad that we are both participating in MFO. Important for such peace-keeping efforts to have broad international support.

Near East and North Africa Department
Foreign and Commonwealth Office
17 May 1982

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

MFO/NEW ZEALAND PARTICIPATION

BRIEF NO 10

ESSENTIAL FACTS

1. New Zealand is combining its participation in the MFO with Australia; together they are contributing 12 helicopters (2 from New Zealand) and 200 support personnel (35 from New Zealand). The New Zealanders have followed the European line closely in their approach both to the MFO and to the Arab/Israel question in general.

Near East and North Africa Department
Foreign and Commonwealth Office
17 May 1982

VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

IRAN/IRAQ

BRIEF NO 11

POINTS TO MAKE

State of the War

1. Iranian victories have hardened attitudes. They may now want to see President Saddam Hussein topple before they are ready to consider ceasefire and negotiated settlement. Danger that Iranian troops may cross frontier in Basra region. Full scale invasion of Iraq does not look likely at this stage but military situation is fluid.

Role by West: Mediation

2. Believe that West has very limited role to play. Have no leverage in Tehran and our intervention might make matters worse because it could encourage false hopes in Baghdad, and confirms Iranian belief that we are trying to bail Iraq out, and thus cut across efforts of existing mediators.

Middle East Department
Foreign and Commonwealth Office

17 May 1982

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VISIT BY NEW ZEALAND PRIME MINISTER: 14-22 MAY

IRAN/IRAQ
BRIEF NO 11

ESSENTIAL FACTS

State of the War

1. Iraq suffered a major defeat in the largest battle of the 20 month old war in late March at Shush. A second Iranian offensive, which began on 30 April, has broken up the last remaining major concentration of Iraqi forces in southern Iran. Only Khorramshahr remains and this could fall quickly. The Iranians are only 12 km from Basra, and might be tempted to cross the border in that area. (A full scale invasion of Iraq does not look likely). Iranian utterances are ambiguous though their Foreign Minister declared on 11 May that Iran had no territorial ambitions. An Iranian incursion into Iraqi territory would be disastrous for President Hussein, and could lead to his downfall.

Regional Implications

2. The prospects of an Iranian victory is causing anxiety in the Gulf and Saudi Arabia. Faced by what they see as the threat from Iranian subversion, they have no option but to continue to support Iraq, whom they also distrust but who seems the lesser of two evils. Syria's decision to close the transit pipeline, which carries Iraqi oil, and her borders has caused a further split in Arab world: Syria, Libya and South Yemen support Iran: the Gulf States, Saudi Arabia, Jordan and latterly, Egypt, support Iraq.

/Mediation

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Mediation

3. The Non-Aligned Movement, the Islamic Conference and the UN Secretary General's Special Representative, Mr Olaf Palme, have at various times in recent months made fresh attempts to mediate. Iraq is and has been keen to negotiate but the Iranians have consistently refused to do so while Iraqi troops remain on Iranian soil. Iran has now begun to insist on Saddam Hussein's overthrow as a necessary condition for peace.

The West's Role

4. Any attempt by the West to intervene would need careful consideration. It could be viewed with suspicion by Tehran and might encourage the Soviet Union to exploit the situation to their advantage. We are discussing with our partners in the Ten, a Dutch proposal that we should issue an appeal for peace, coupled with an offer of aid to both countries for reconstruction. This would be intended as a gesture of our willingness to help. Bringing the issue before the UN Security Council would not be helpful at this stage - it would anger Iran (the UN declined to discuss Iraq's invasion of Iran in September 1980) and carry the threat of polarisation with the Soviet Union ostentatiously supporting Iran in the face of a US/Saudi led confirmation of Arab and Western States.

Middle East Department
Foreign and Commonwealth Office
17 May 1982

CONFIDENTIAL



MULDOON, RT HON ROBERT (" ROB") DAVID, CH (1977) MP

(National, Tamaki)

Prime Minister and Minister of Finance

Born Auckland 1921. A third-generation New Zealander of Ulster stock. Educated at Mt Albert Grammar School, Auckland. Served in the ranks of the New Zealand Infantry during the war in the Pacific, Middle East and Italy, then qualified as a Cost Accountant. (He is a past President of the New Zealand Institute of Cost Accountants and a Fellow of the Institute of Cost and Management Accountants, London). Became Member of Parliament 1960 and immediately formed a ginger group with Duncan MacIntyre and Peter Gordon (collectively called " Young Turks"). Parliamentary Under-Secretary to the Minister of Finance 1964-67. Minister of Finance 1967-72. Deputy Prime Minister 1972, He became Leader of the Opposition in July 1974 when the National Party opted for his aggressive leadership rather than the quieter style of Sir Jack Marshall. He became Prime Minister in 1975 and was re-elected in 1978 and 1981.

As Minister of Finance he made a considerable success of his portfolio and has chosen to continue to hold this office as Prime Minister. He is also Minister in Charge of the Legislative and Audit Departments and Minister in Charge of the New Zealand Security Intelligence Service..

He has won a reputation for energy, ability and hard work. He is particularly competent in public appearances, especially on television. His style of leadership is hard-hitting and pugnacious. Not everyone finds this attractive but New Zealanders saw Mr Muldoon as someone who could offer decisive leadership at a time when the traditional easy-going life-style in New Zealand was threatened by a world economic crisis.

He is a keen gardener. The first volume of his autobiography " The Rise and Fall of a Young Turk" appeared in 1974, the second " Muldoon" in 1977 and third " My Way" in 1981.

Is married with a grown-up family of one son and two daughters.



HE THE HON LESLIE WALTER GANDAR

New Zealand High Commissioner in London

Born Wellington 1919

Educated Victoria University, Wellington (BSc)

Served in the RNZAF and RAF in Britain and the Middle East, 1940-44. Since the war he has built up from scratch an 830-acre sheep farm at Colyton, Wellington Province, which he was reluctant to leave.

Long association with Massey University (Chancellor 1970-75). Closely involved in Local Government before entering Parliament in 1966. Minister of Science, Mines, Electricity and Energy Resources, February-December 1972. Minister of Education, Science and Technology from December 1975 until he lost his seat in the 1978 General Election.

Intelligent, humane and serious-minded. A good conversationalist. Interested in music, cricket and Maori culture. Said to have learnt the Maori language while a Minister and has taken up Maori wood carving.

Fellow of the New Zealand Institute of Agricultural Science and Fellow of the Institute of Physics.

Mrs Gandar was a good scholar, taking her degree at an unusually early age. Played an active part in her husband's political career. They have five grown-up children.



BROWN, Bruce Macdonald

Deputy High Commissioner, New Zealand High Commission, London since April 1981

Born Wellington, 24 January 1930

MA Victoria University of Wellington

- 1954-57 - Private Secretary to Leader of Opposition, Walter Nash
- 1957-59 - Private Secretary to Prime Minister
- 1961-62 - First Secretary, New Zealand High Commission, Malaysia
- 1963-66 - First Secretary, New Zealand Mission to the UN
- 1967 - Deputy Permanent Representative to the UN
- 1968 - Head of Admin Division, Ministry of Foreign Affairs
- 1969-71 - Director New Zealand Institute of International Affairs
- 1972-74 - Deputy High Commissioner, Canberra
- 1975-78 - Ambassador to Iran
- 1979-81 - Assistant Secretary, Administration and Planning Questions, Ministry of Foreign Affairs

Member of New Zealand Delegations to 10th and 13th Meetings of Columbo Plan in 1958 and 1961, and member at 18th and 21st Sessions of UN General Assembly and 5th Special Session 1963-67. Security Council 1966.

Publications: The Rise of New Zealand Labour; The United Nations; historical contributions to Encyclopaedia of New Zealand; various articles and reviews. Whilst on secondment as Director of Foreign Affairs Institute, he was offered the task of writing the official biography of Walter Nash, whose Private Secretary he was for seven years, but he decided instead to return to the Ministry of Foreign Affairs.

Victoria University of Wellington Boxing Blue.

Married Edith Irene Raynor in 1953: 2 sons and 1 daughter.